The Washington Monthly

JULY/AUGUST 1976/$1.50

Anybody but Broder: Our Stop-the-Columnists Movement

Ralph Nader on Who Runs the Corporations

Let's Put Politics Back into the Post Office

Walter Shapiro Inside Carter Headquarters

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Meet the real Gerald R. Ford:

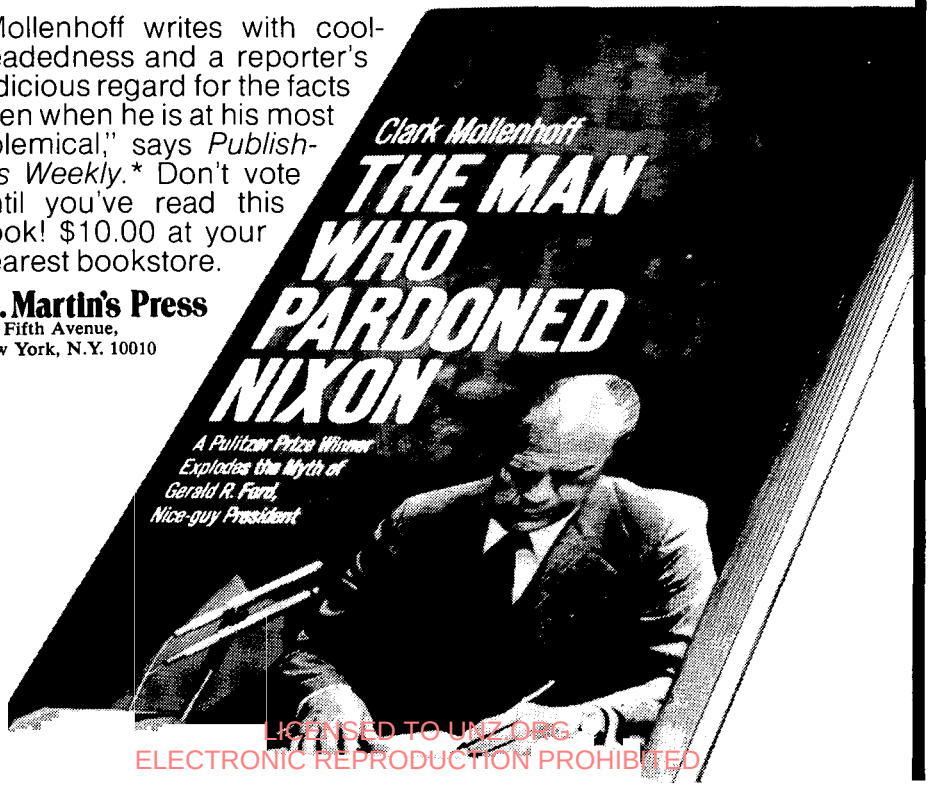
THE MAN WHO PARDONED NIXON

By Clark Mollenhoff. In this "absorbing, detailed report,"* Pulitzer Prize winner Clark Mollenhoff charges that President Ford, like Nixon before him, has concealed the truth from the American people. Then Mollenhoff raises some tough questions:

- Was there a deal with Nixon?
- Why did Ford defend Nixon as "innocent" when he knew what was on the White House tapes?
- What about Ford's own testimony on Watergate?
- How has Ford himself abused executive privilege?

"Mollenhoff writes with cool-headedness and a reporter's judicious regard for the facts even when he is at his most polemical," says *Publishers Weekly.** Don't vote until you've read this book! $10.00 at your nearest bookstore.

St. Martin's Press
175 Fifth Avenue,
New York, N.Y. 10010



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FROM AEI . . .

IMPLICATIONS OF THE 1976 ARAB-ISRAELI MILITARY STATUS

by Robert J. Pranger and Dale R. Tahtinen

The authors, both former Defense Department officials, discuss where and how the weapons now in the hands of the warring states are likely to be used if there is another outbreak of hostilities. Pranger outlines four zones of possible warfare and six hypotheses on the next round of fighting, with their implications for U.S. policy. Tahtinen considers the likely uses of the major weapons now in the two arsenals and gives specific data on their inventories.

49 pages paperback, $3.00

THE OCCUPATIONAL SAFETY AND HEALTH ACT: Its Goals and Its Achievements

by Robert Stewart Smith

"Offers some suggestions worth considering as a way of meeting the problems of OSHA." *The Wall Street Journal*

104 pages paperback, $3.00

TOWARD ECONOMY IN ELECTRIC POWER

by Edward J. Mitchell and Peter R. Chaffetz

The authors propose that private industrial manufacturers convert excess steam to produce electric power. These energy industrial centers could save the nation as much as $5 billion per year in capital investments during the next ten years, they say. Household consumers could also save—as much as $3.6 billion per year in electric bills.

32 pages paperback, $2.00

THE STRATEGIC BALANCE IN THE MEDITERRANEAN

by Jesse W. Lewis, Jr.

America can—and ought to—apply principles of sea power more effectively than Russia in the vital Mediterranean region, Lewis says.

He argues that the area is far too important to receive occasional scrutiny during crisis situations and outlines ways to step up surveillance of potential trouble spots and develop a continuing Mediterranean expertise in American diplomatic and intelligence circles.

169 pages paperback, $3.75

REFORMING FEDERAL DRUG REGULATION

Alexander M. Schmidt • Senator Gaylord Nelson (D.-Wis.) • William N. Hubbard, Jr. Louis Lasagna • Michael Halberstam • Jules Bergman, moderator

This lively panel discussion asks whether FDA regulation has caused a "drug lag" for American doctors and patients. The panelists consider what changes could speed up the FDA's drug review process, and discuss the need for follow-up tests on drugs approved for market use.

40 pages paperback, $2.00

To order these publications, circle the titles you'd like and send this to

American Enterprise Institute for Public Policy Research
Dept. H 1150 Seventeenth St., N.W. Washington, D.C. 20036

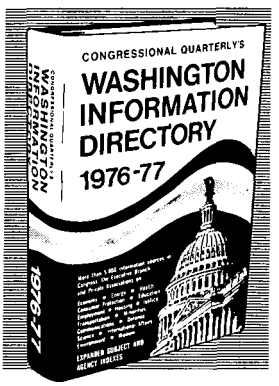
Name_____

Address_____

City_____ State_____ Zip_____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW 1976-77 EDITION



Completely Revised & Updated

•

Washington Information Directory 1976-77

•

840 pages Clothbound $18

A new directory to the 5,000 best sources of information in Washington - *all indexed by subject.* Includes names, telephone numbers, addresses and responsibilities of key personnel in federal agencies, congressional committees and private associations who can provide information on virtually any topic - all indexed by subject. Full refund if not satisfied.

Send check for $18 to:

Congressional Quarterly Inc.
Box W, 1414 22nd St. N.W.
Washington, D.C. 20037

For your classes in American government, the best way to understand the daily realities of congressional life:

What Happens to a Senator's Day
by James Boyd

Living Through the Boss—A Day in the Life of a Senator's A.A.
by Polly Toynbee

A Congressman's Day: At the District Office
by Jamie Rosenthal Wolf

to order all three, send $2.00 to
Congressional Reprints, The Washington Monthly
1028 Conn. Ave., NW, Washington, DC, 20036

The Washington Monthly

Editorial Advisory Board:
Richard Rovere, Chairman.
Graham Allison, Russell Baker,
James David Barber, Edgar Cahn,
Murray Kempton, Peter Lisagor,
Hugh Sidey.

Editors:
Charles Peters, Editor-in-chief.
Walter Shapiro, Tom Bethell.

Contributing Editors:
James Boyd, Taylor Branch,
James Fallows, David Hapgood,
Michael Kinsley, Suzannah Lessard,
Arthur Levine, Thomas Redburn.

Staff:
Carol Trueblood, Maralee Schwartz,
Peg Long, Judith Picciotto.

Interns:
Nancy Hearon, Bob Kolin,
Harriet Louros, Helen Moffett,
Sam Sills.

Production and Design:
Andrew Bornstein, Vint Lawrence,
Nancy Harrell, Diana Walker,
Wm. Sharon Farr, Jr.

Published monthly except combined July/August issue by the Washington Monthly Co.,
1028 Connecticut Ave., NW, Washington, D.C. 20036
Copyright ©1976 by The Washington Monthly Co.
All rights reserved. Reproduction by any method whatsoever without permission is prohibited.

Subscription rates: U.S. and possessions—
$16, one year; $28, two years; $39, three years.
Foreign, including Canada, $2.00 per year additional, surface; air mail rates available on request.
Back issues, $1.75. Send all remittances and correspondence concerning subscriptions, undelivered copies, and changes of address to
1028 Connecticut Ave., N.W., Washington, D.C. 20036.

Distributed nationally by B. DeBoer Distributors,
188 High St., Nutley, N.J. 07110.

Unsolicited manuscripts must be accompanied by a stamped, self-addressed envelope.

Second class postage paid at Washington, D.C. and additional offices.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VOLUME EIGHT NUMBERS FIVE AND SIX
JULY/AUGUST 1976

Delivering the Mail: We Did It Once and We Can Do It Again
by Paul Dickson
When 'politics' was taken out of the Post Office, it began to serve postal employees rather than the public. 6

Anybody But Broder: Our Stop-the-Columnist Movement
by Tom Bethell
The political columnists didn't foresee the new ideas and new faces this year. They were misled by the polls and the pols. 12

Why the Bright New Congressmen Couldn't Deliver on Tax Reform
by Daniel J. Balz
The new wave of reforming congressmen soon found that the more they tried to change the tax laws, the more they stayed the same. 25

The Triumph and the Trivia: Inside the Carter Headquarters in Pennsylvania
by Walter Shapiro
How Franklin Delano Lopez, Joe Timilty and 'Too Tall' Rutherford won the Pennsylvania primary for Jimmy Carter. 31

TIDBITS AND OUTRAGES 40

Making Enemies: The Pike Committee's Struggle to Get the Facts
by Gregory G. Rushford
A staff employee on the Pike Committee reveals how the CIA fought to keep its track record hidden from view. 42

The Myth of Corporate Democracy
by Ralph Nader, Mark Green, and Joel Seligman
Corporate directors don't direct. Self-perpetuating managers run the show. 54

POLITICAL BOOKNOTES 62

POLITICAL PUZZLE 29

MEMO OF THE MONTH 53

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Take any 3 books for only $1 each (values to $56.85)

If you will join now for a trial period, and agree to take three books—at handsome discounts—over the next 12 months.

IMPORTANT GUARANTEE! Examine your 3 introductory books for 10 days. If not delighted, simply return them and your membership will be canceled. You pay nothing, owe nothing!

(Publishers' Prices shown)

84220. THREE FACES OF MARXISM. *Wolfgang Leonhard.* A clear guide through the three main currents of contemporary Marxism: Leninism, Maoism, and humanist Marxism. **$15.00**

32541. THE ALMANAC OF AMERICAN POLITICS 1976. *By Michael Barone, Grant Ujifusa and Douglas Matthews.* Unique, comprehensive guidebook to members of Congress, state governors and their constituencies. Everything from voting records to office addresses. Over 1,000 pages. **$15.95**

45940. ESCAPE FROM EVIL. *Ernest Becker.* Synthesizes anthropology, sociology and psychology to explain the dark side of human nature: Why does man kill? The definitive work on the psychohistorical evolution of man. **$9.95**

58205. THE LENIN ANTHOLOGY. *Edited by Robert C. Tucker.* Sixty-nine selections, each placed in historical context and briefly evaluated, trace the interaction of Lenin's revolutionary theories with the dramatic events of his time. **$18.95**

85335. THE UNITED STATES AND CHILE: Imperialism and the Overthrow of the Allende Government. *By James Petras and Morris Morley.* A powerful, carefully documented case . . . citing the roles of specific corporations, the NSC, the military. **$10.95**

36130. BEYOND KISSINGER: Ways of Conservative Statecraft. *George Liska.* An incisive critique showing the place of Kissinger's foreign policy in diplomatic history, and revealing his strengths and weaknesses as a statesman. **$12.00**

57430. LABOR AND MONOPOLY CAPITAL: The Degradation of Work in the Twentieth Century. *Harry Braverman.* Documents the spread of assembly-line drudgery into professional and managerial ranks, and gauges the impact of the technological revolution on the quality of life. **$12.50**

69520. POLITICAL HANDBOOK OF THE WORLD: 1975. *Edited by Arthur S. Banks.* All the vital facts and figures on 155 independent nations, plus the structure and activities of nearly 75 intergovernmental organizations. **$19.95**

41311. THE CULTURAL CONTRADICTIONS OF CAPITALISM. *Daniel Bell.* The author of *The Coming of Post-Industrial Society* explores the paradox of capitalist culture as it approaches crisis point. **$12.95**

85080. UNEQUAL JUSTICE: Lawyers and Social Change in Modern America. *Jerold S. Auerbach.* "A powerful and well-documented indictment of the elite bar's failure to live up to the trust that has been bestowed upon it by our system of justice." —*New York Times Book Review.* **$13.95**

48880. THE FRENCH REVOLUTION. *Albert Soboul.* Acclaimed in Europe as the new standard work on the Revolution, this incisive study spotlights the epic class struggle against the bourgeoisie. **$17.95**

74380. ROOSEVELT AND CHURCHILL: Their Secret Wartime Correspondence. *Edited by Francis L. Loewenheim, Harold D. Langley, and Manfred Jonas.* Packed with new information on critical events and personalities, it provides answers to many questions about the goals and methods of the wartime leadership. **$17.50**

87140. WHO WAS WHO IN AMERICAN POLITICS. *Dan and Inez Morris.* 4,200 succinct biographies from the Founding Fathers up to the immediate past. Easy access to facts and figures, and an invaluable reference book. *Counts as 2 of your 3 books.* **$32.50**

40350. THE CONSERVATIVE INTELLECTUAL MOVEMENT IN AMERICA SINCE 1945. *George H. Nash.* First full-scale study of the thinkers and ideas underlying the politics of the Right, and how they developed in postwar America. *Counts as 2 of your 3 books.* **$20.00**

The Library of Political and International Affairs

invites you to discover the most enjoyable and meaningful reading of our time!

23930. SIMPLE JUSTICE. *Richard Kluger.* A work of epic scope that probes all the issues and personalities involved in the long struggle for educational equality that culminated in *Brown v. Board of Education.* **$15.95**

37945. CHINA'S UNINTERRUPTED REVOLUTION: From 1840 to the Present. *Edited by Victor Nee and James Peck.* Four noted scholars trace the interaction of ideas and circumstances that have determined the nature and development of Maoism, from first days to the Cultural Revolution. **$15.95**

70030. PRESIDENTIAL SPENDING POWER. *Louis Fisher.* "Louis Fisher knows more about government spending . . . than anyone in the country." —*Sen. William Proxmire.* **$12.50**

37365. A CARTOON HISTORY OF UNITED STATES FOREIGN POLICY, 1776-1976. *The Editors of the Foreign Policy Association.* Traces the pop view of foreign policy as seen by America's most brilliant political cartoonists, from Benjamin Franklin to Herblock and Oliphant. **$7.95**

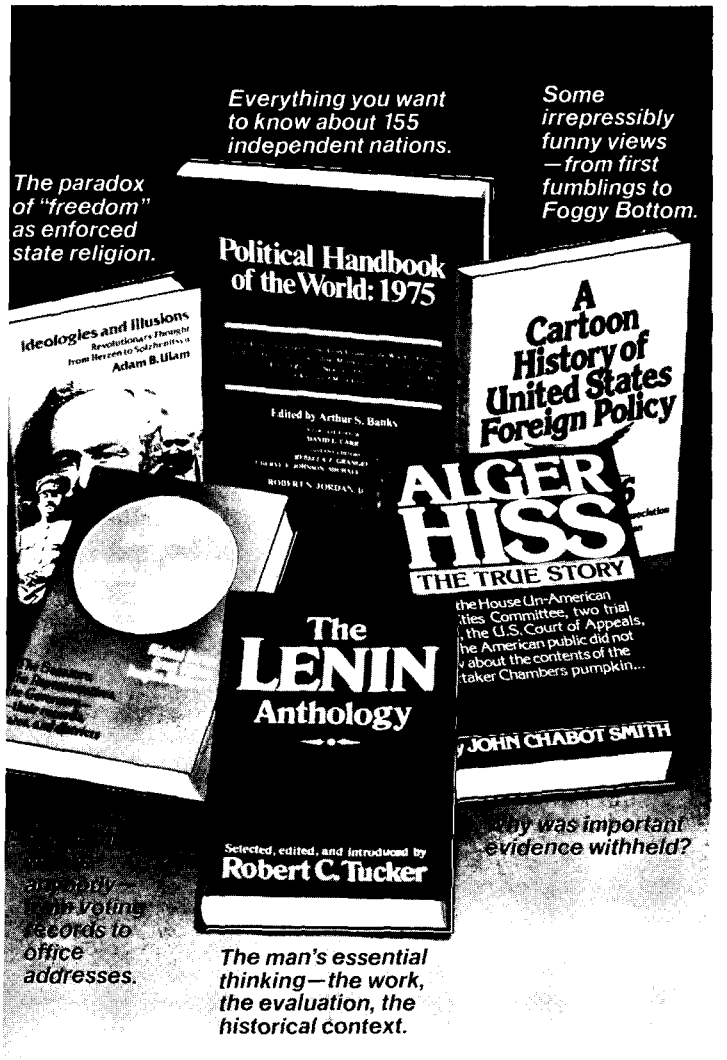
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

87650. THE WORLD ECONOMIC CRISIS. *Edited by William P. Bundy.* Thirteen well-known economists and statesmen analyze the political impact of the world financial scene on the Mideast, the developing nations, and the superpowers. **$8.95**

63321. SAKHAROV SPEAKS/MY COUNTRY AND THE WORLD. *Sakharov Speaks* contains his major writings and interviews from 1968 to 1974. *My Country and the World* is a stern warning to Western intellectuals on the dangers of detente. *The 2 count as one book.* **$12.90**

23700. THE ROLE OF THE SUPREME COURT IN AMERICAN GOVERNMENT. *Archibald Cox.* The first Watergate Special Prosecutor sharply evaluates the role of the Supreme Court and the ultimate limits of its power. **$6.95**

54950. IDEOLOGIES AND ILLUSIONS: Revolutionary Thought from Herzen to Solzhenitsyn. *Adam B. Ulam.* The failure of Soviet society to translate Marxist-Leninist political thought into practice. Shows what historical influences have aided the growth of oppressive technocracy in Russia. **$15.00**



How the Club Operates • The Book Club News, describing the coming Main Selection and Alternate Selections, will be sent to you 15 times a year at 3-4 week intervals. • If you wish to purchase the Main Selection, do nothing and it will be shipped to you automatically. • If you prefer one of the Alternates, or no book at all, simply indicate your decision on the reply form always enclosed with the News and mail it so that we receive it by the date specified. • The News is mailed in time to allow you at least 10 days to decide if you want the coming Main Selection. If, because of late mail delivery of the News, you should ever receive a Main Selection without having had the 10 day consideration period, that Selection may be returned at Club expense. • Continued membership past the trial period brings you the added benefits of our Bonus Book Plan—an important way to save more, at least 70% off publishers' prices.

48595. THE FIRST CASUALTY. *Phillip Knightley.* Portrait of the war correspondent as propagandist and myth-maker, from the Crimean War to Vietnam. **$12.95**

85340. THE UNITED STATES AND THE ARAB WORLD. New Edition. *William R. Polk.* Focuses on the collision of American goals with the Arab mentality and maps out current American options. **$15.00**

87180. WHY MARXISM? *Robert G. Wesson.* How has Marxism maintained its political mystique in the face of its practical failures? Why do emerging nations embrace it, and what are its future prospects? **$12.95**

32535. ALGER HISS: The True Story. *John Chabot Smith.* Argues the case for Hiss's innocence on the basis of evidence withheld at the trials. Plus many other surprising facts about Hiss's accusers. **$15.00**

53280. A HISTORY OF THE AFRICAN PEOPLE. *Robert W. July.* An outstanding history of this radically altered continent, from ancient times to the new societies of modern African states. **$15.00**

37965. THE CIA FILE. *Edited by Robert L. Borosage and John Marks.* Leading experts evaluate the CIA's worldwide role—including specific operations. Former CIA Director Colby offers a detailed rebuttal. **$8.95**

87620. THE WORLD AND CHINA. 1922-1972. *John Gittings.* Offers an incisive analysis of the ideas that have shaped China's foreign policy and define her current world role. **$11.00**

74280. ROLL, JORDAN, ROLL: The World the Slaves Made. *Eugene D. Genovese.* A richly detailed study scrutinizing every aspect of Southern slave society, black and white. "One of the seven significant books of 1975." —*The N. Y. Times Book Review.* **$17.50**

55555. INSIDE THE COMPANY. CIA DIARY. *Philip Agee.* "... the most complete description yet of what the CIA does abroad." —*The Washington Post.* **$10.00**

46050. ESSENTIAL WORKS OF SOCIALISM. *Edited by Irving Howe.* Sixty-seven crucial texts by forty-three authors in over 850 pages. Covers the non-Marxist as well as Marxist traditions. *Counts as 2 of your 3 books.* **$20.00**

The Library of Political and International Affairs
Riverside, New Jersey 08075

Please accept my application for membership and send me the three volumes indicated, billing me only $1 each. I agree to purchase at least three additional Selections or Alternates during the first 12 months I am a member, under the club plan described in this ad. Savings range up to 30% and occasionally even more. My membership is cancelable any time after I buy these three books. A shipping and handling charge is added to all shipments. **Send no money. Members are billed when books arrive.**

3 books for only $1 each.
Indicate by number the 3 books you want.

☐ ☐ ☐

A few expensive books (noted in book descriptions) count as 2 choices.

Name _____

Address _____

City _____ State _____ Zip _____

(Offer good in Continental U.S. and Canada only. Prices slightly higher in Canada.)

F-1AH

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Delivering the Mail: We Did It Once and We Can Do It Again

by Paul Dickson

The major precedent for our sad and ever so unpopular Postal Service is one that dates back before 1776. At that time one of the complaints the colonists had against the King was a postal system that emphasized profits over service. Dissatisfaction with that business-like operation was, as many historians have stated, just the kind of thing that led to independence. "Instinctively, [the colonists] believed in postal service," one of these historians has remarked, "not postal profits."

This is not the beginning of a "Bicentennial Minute," but a recollection of the policy of a service-first post office which lasted five years short of a full 200. The policy ended in 1971 when a "business-like" postal corporation was created to make the system pay for itself.

Paul Dickson is a Washington writer.

At this moment, nostalgia for the old pre-1971 system is widespread; even the leaders of the tarnished Postal Service admit that things were better a generation ago. The nostalgia has many strains, ranging from those who fondly recall the single-digit first-class stamp, the less-than-a-nickel penny postcard, and the postmark that told you where your letter actually came from (not PA 217, which is postal newspeak for Upper Black Eddy, Pennsylvania) to the business patron who only has to think back a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

few months to the good old days before once-a-day delivery. But perhaps the most poignant bit of nostalgia is shared by liberals over 35 who recall cherished moments like this:

Conservative: How can you possibly call for the government to get involved in *(fill in the blank)*? You know what'll happen, don't you? They'll screw it up and the only people who'll be served by it are those who run it.

Liberal: But what about the. . . .

Conservative: Besides they'll run out of things to do and start issuing oppressive guidelines and make our lives miserable.

Liberal: OK, but. . . .

Conservative: I know. I know. You're going to tell me about the TVA.

Liberal: Actually all I wanted to do was to mention the Post Office.

Conservative: (Loud gulp.)

At this point our liberal went into a devastating discourse about innovation (the first group to put the airplane to practical use, to string telegraph lines between cities, etc.), service, and the growth of commerce, culture, and education fostered by the beloved system which ties the nation together. Above all he praised the efficiency of the postal system as the ultimate proof that government could work.

As Wayne Fuller points out in his recent book, *The American Mail: Enlarger of the Common Life*, "Those who saw the abuses of unbridled capitalism. . . pointed with pride to the Post Office as an example of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

benefits a government-owned business might bring to the people."

In 1976 both the Liberal and the Conservative huddle together in awe of a quasi-governmental disaster that disproves both the former's notion of effective government ownership and the latter's urge toward business-like self-sufficiency. Both of them seem quite capable of telling and retelling horror stories to underscore how bad it is, but neither is certain about its meaning or solution.

There is more to their mutual unease than simply keeping the first-class letter rate below a quarter or testing different philosophies of government. Postal service is the one thing government provides that comes closest to being universally received and universally useful, the only outward and visible sign of the federal government that the average American comes in contact with every day. It is also one of the most easily comprehendable elements of government, in that it is all but impossible to gloss over or cover up deteriorating service.

For all these reasons, there is clearly more to the past triumphs and present failures of the U. S. Mail than the U. S. Mail. One needs no commission report or poll to conclude that most people's perception of the quality and efficiency of government is directly tied to postal services. This was cause for rejoicing in Washington not that many years ago. Typical were these lines from a 1931 book on postal policy by Rep. Clyde Kelly: "Those who see this institution as a great service enterprise may be sure that it has been one of the mightiest factors in American progress, paying dividends in enlightenment and mutual understanding beyond the power of money to express. It has been the nation's most profitable institution, inspiring fraternity of feeling and community of interest, and furnishing the surest guarantee of the stability and security of the Republic. . . ."

Despite factions in Congress which occasionally toyed with the notion of putting all or part of the system in private hands, the formula of "service first, worry about deficits later" was never significantly challenged, for the simple reason that it was working. By the 1920s there was ample evidence that the policy had worked to the extent that the nation was in proud possession of a system complete with all the postal services that a modern industrialized nation could ask for. Postage was cheap; rural free delivery was bringing service to every corner of the nation; and all the extras—postal savings, money order service, parcel post, airmail, special delivery, and more—were in place.

Patronage and Postmasters

Here are some of the reasons why it worked: For one thing, the politics that were taken out of the Post Office in the name of reform in 1971 had their dark side, but they were also a major strength of the old system. For instance, even though local postmasterships were assigned by political patronage, they were generally demanding, highly visible jobs which not only spotlighted the person in the job, but also the elected and party officials who got that person the job. Occasionally, the doltish brother-in-law of a congressman or party leader was given the local mail and postal service dukedom, but not often.

Another advantage of the political system was that it virtually guaranteed that management was local and therefore responsive to local needs and especially attuned to take pride in their work. As the old Post Office was being dismembered in favor of the new, old-timers fretted that reform would mean assigning big-city hotshots to run things for a large rural county (or vice versa); these doubters were looked on as unprogressive types harboring outdated notions about "outside" managers.

Ironically, it was the politicians who turned against the political Post Office while others had a higher respect for it. In *The American Mail*, Wayne Fuller wrote, "Politics in the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Post Office, like leaven, was the ferment that forced changes in the postal system, made the service responsive to the will of the people, and made the Post Office a mechanism for developing the nation's political system." (By the way, this is not nostalgia speaking. Professor Fuller wrote this in 1972, when hopes for the new corporation were still high.) One clue to why politicians were so willing to jettison politics in this realm may be in the way votes are obtained. Old-style postal patronage gathered few votes and a lot of complaints—compared to well-executed, 30-second spots. For the modern politician, the burden of responsibility for local appointments outweighed the potential benefit.

A more obvious ingredient in the successful recipe was the aforementioned policy of service first, accompanied by a wary eye, but not a phobia, for the postal deficit which has been with us for all but a few of the last 100 years. Save for the few who argued for breaking even, most modern legislators, Postmasters General, and Presidents were quite content with an agency of government which pleased the people and paid back the lion's share—85 per cent to 90 per cent—of its costs in revenues (this year under the new setup it will recover only 78 per cent). Think about that for a while. You as a taxpayer subsidized ten to fifteen per cent when it was a service. Now that it's supposed to be a profit-maker, you pay 22 per cent.

What a lesson for us! As we go forward to take on the task of bureaucratic reform—which is now inescapably necessary, not just for the Postal Service but for the government as a whole—here are the simple truths we must remember:

1) Government should *serve* the people. This, not profit or anything else, is its primary purpose.

2) That the government will serve the people well is best assured by making it *politically* accountable to the people.

The era of civil service has produced a bureaucracy that is practically immune to the concerns of the public. The postmaster in Cedar Rapids need not fear the wrath of the local citizens if he is a career civil servant. But a congressman who was responsible for the appointment of the inept Cedar Rapids postmaster could have lost the next election.

A Race with Catastrophe

How did we become so confused that we forgot that what we wanted from the postal system was not profit but service? We wanted the mail delivered. What we're getting is reduced mail delivery, which is producing not profit but more deficit, because poorer service means lower volume.

This is not to say that putting politics and service back into the postal system will necessarily solve all its problems. Obviously the postal system was having difficulties before it became a corporation. But it is important to emphasize that many of those difficulties were unique to the period 1945-70. During those boom years the volume of mail leaped from 37,917,000 pieces to 84,881,000, while a major element of the postal system, the railway mail service, was collapsing along with its sister, passenger service.

By 1966, problems began surfacing. Reports were reaching Washington of snafus all along the line, the most dramatic of which took place in October, when the main post office in Chicago gagged on 10 million pieces of mail and stopped functioning for almost three weeks. Meanwhile, on the fiscal front this was the first year in which the postal deficit reached the billion-dollar mark. This took place during the watch of Lyndon Johnson's Postmaster General Lawrence O'Brien, who took a look at things, made his famous remark about the Post Office being in "a race with catastrophe," and told Johnson that a major reorganization was in order. Johnson, in turn, created the blue-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ribbon Commission on Postal Organization under the direction of Frederick Kappel.

The Kappel report was delivered in June 1968 and was clearly negative. The American Post Office was mismanaged, too political, technologically backward, inefficient, and in dire need of new equipment, buildings, and ideas. The report also projected a postal deficit of $15 billion by 1978 unless something was done. Its prime remedial suggestion was that the Post Office was a business and as such should be reorganized as a government corporation which in time would have no deficit.

Window Dressing

The new corporation took flight on July 1, 1971 when the anachronistic Pony Express symbol gave way to the stylized eagle. For the first 18 months, there was great optimism about the new Postal Service, a mood abetted by the encouraging statistics and announcements of innovations coming from the office of Postmaster General and Board Chairman Winton M. Blount. The press, which had almost universally supported the idea of a new organization during the debate, was primed to listen uncritically as the litany of new departures was presented: a new, fast, and damage-free parcel post service would be in place by 1975. . . routine 24-hour air mail service to Great Britain was just around the corner. . . an ombudsman was now in his office ready to accept and rectify patrons' complaints. . . top-flight Madison Avenue ad agencies were being signed up to promote the use of air mail and other special services. . . all sorts of snazzy consulting firms and think tanks were being brought aboard to help tackle the most vexing problems inherited from the old Post Office.

All this hoopla was followed by a broad series of rate increases, with more to come; and then there was the death of *Look* magazine replete with a post-mortem that in part blamed new rates for the demise. Rep. H. R. Gross and several allies uncovered some cases of flagrant overspending and waste.

The Christmas 1972 mailing was a disaster. Congressmen, who had relinquished most of their power over the Service, were stunned. About all the individual legislator could do was stuff the Congressional *Record* with horror stories. When, for instance, the eight train carloads of mail which contained an emergency mass appeal from CARE for the relief of victims of Nicaragua's Christmas earthquake were lost for nine days, CARE officials maintained that great damage had been done to their urgent campaign. Within a few months no less than a half-dozen separate bills were calling for the abolition of the new organization and a return to the old.

The horror stories have continued to pile up, and what was called the "postal mess" in the late 1960s is now the "postal nightmare" of the 1970s. The only vindicated factions are those who feared the loss of rural post offices and the few who were convinced that creating a break-even postal corporation did not add up to true reform.

The situation is now bleak: a steadily rising deficit, now about $3 billion, talk of bankruptcy, almost certain cutback to five-days-a-week delivery, the prospect of a 17-cent first-class letter rate by year's end. If anything, most of the touted solutions of the early days of the postal corporation have added to the problem. A few examples tell the tale:

- Early retirement schemes cut the payroll to some extent but also weeded out some of the system's best and most experienced hands when they were needed most.
- Not long after launching a major ad campaign to sell domestic air mail service, the Service itself discovered that first class was just as quick.
- An expensive electronic system designed to monitor the comings and goings of mail delivery trucks has replaced a simple, index-card system

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that worked.

■Postal workers have reported that mail is allowed to stack up for as long as 24 hours in order to get "uniform flow" for new canceling machines.

■A new generation of machines have learned to eat packages and letters.

As *The Washington Post*'s Ronald Kessler concluded after a stinging series of reports on the excesses and failures of the new Service, ". . . postal management has shown remarkable consistency. When faced with major decisions, it invariably chooses the wrong course."

Back To Politics

The big question is where do we take it from here?

The beginnings of the answer are simple enough. Back to politics and service. Not to a system that is solely political. There should be a balance between the continuity of expertise provided by a tenured civil service and the accountability of the political appointee. But the balance has shifted way too far in favor of the former.

Recently *The Washington Star* uncovered evidence that employees at the Washington Bulk Mail Center in Largo, Maryland, had been throwing away sizable amounts of mail almost daily. This was a new high in the "screw-you-buddy-I've-got-my-tenure" movement, but nonetheless indicative of where things are going. Perhaps you read in this magazine's Tidbits and Outrages column last month about how the Postal Service was auctioning off the contents of the parcels that are mangled by its machines? Your lost merchandise could be bought by your competitor at a discount. Such things simply couldn't happen if the postal system was accountable to the public.

Even the resigning head of a postal employee's union, James Rademacher, admits, "The trouble with many members is that they do not understand the give and take of collective bargaining. They want to take, but they don't want to give."

It's no wonder that most of the postal union members think that way. Since 1970, they've "bargained" successfully for a 60 percent increase in wages.

Ronald Kessler, in his *Washington Post* series, pointed out a simple but dramatic saving the post office could make:

"Many of the Postal Service's problems would be solved if it offered standard-size envelopes with preprinted boxes where mail users would write zip codes, according to Dr. James C. Armstrong, a former postal official who left to become corporate planning manager of American Telephone and Telegraph Co. Armstrong said the Postal Service could encourage the public to use these envelopes by charging lower postage if they are used. The standard-size envelopes and uniform zip codes could easily be read by relatively inexpensive machines, Armstrong said.

There is no reason to believe the public would not accept the use of such envelopes, particularly as an alternative to further deterioration of postal service, as readily as it accepted direct long distance dialing using area codes.

So politics will help, standardization will help, but nothing will help more than a return to service as the primary aim of the post office. When government forgets that its object is to "deliver the mail"—whether it is in the form of an efficient military, an excellent national park system, or a letter on your desk the next day—it's time to remind our elected representatives that *they* at least *are* accountable. ■

Send for our complete list of over 300 **Make Your Own Book** titles.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Anybody But Broder: Our Stop-the-Columnists Movement

by Tom Bethell

Having studied a mountain of press clippings dealing with the presidential campaign, I've come to the conclusion that any connection between what the columnists, editorial writers, and political savants said would happen this year and what actually has happened was purely accidental. Not totally misleading, that is to say, but about as likely to be wrong as right. David Broder, *The Washington Post*'s leading political commentator, summed up the problem neatly when he wrote this May: "There's a special Pulitzer Prize for Prophecy awaiting any journalist with clips showing advanced knowledge that the two most powerful messages in American politics in this bicentennial year would be: 1) 'Love to everybody from Jimmy and Rosalynn and little Amy'; and 2) 'To hell with tin-horn dictator Torrijos from Nancy and Ron.' "

Broder added with a good deal of accuracy, although whether with accompanying irony it was hard to tell, that "the real work of political journalism is not to provide advance insights into coming events; that is clearly beyond us. Our true skill lies in inventing imaginative rationalizations after the fact for any implausible thing that occurs."

Broder's own columns clearly illustrate the difficulties facing the political prognosticator. For instance, in the spring and early summer of 1975 he had worked on a lengthy series of political profiles for the *Post*, under the title of "The New Faces of Politics." The series consisted of visits to ten states in which political developments relevant to the upcoming campaign could be expected to occur. The ten states were: California (where former Governor Ronald Reagan was the man to watch), Alabama (Governor George Wallace), Washington (Henry Jackson), Maine (Edmund Muskie), New York (Vice President Nelson Rockefeller), Indiana (Birch Bayh), Arizona (Morris Udall), North Carolina (former Governor Terry Sanford), Massachusetts (Edward Kennedy), and Michigan (President Ford).

This list, of course, included the states of three politicians who never

Tom Bethell is an editor of The Washington Monthly. *Research assistance for this article was provided by Nancy Hearon.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

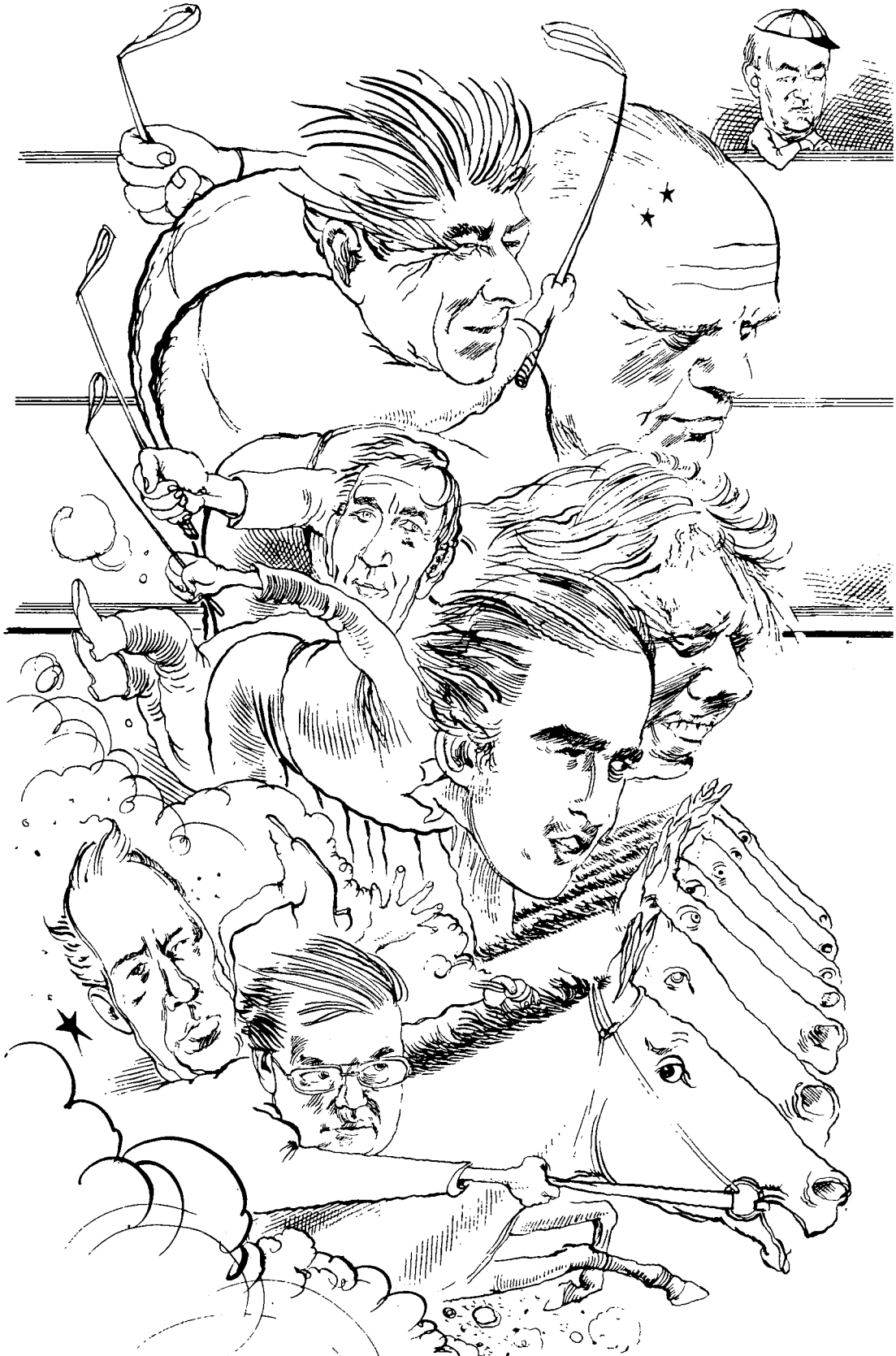
did announce their candidacies (Muskie, Rockefeller, and Kennedy), and a fourth who, at the time the article appeared in June 1975, had not announced (Bayh). In addition, there was no mention of Georgia, the home state of another candidate who in 1975 announced his intention to seek nomination by the Democratic Party—Julian Bond, the liberals' darling in the Deep South, who may well have felt slighted by this omission.

Even earlier, it might have been vaguely recalled, another Georgian had made his announcement, but in a March 1975 column entitled "The Democratic Vacuum," David Broder had not seen much hope for him. In a survey of the contenders, none of whom was then showing "any real sign of strength," Broder established that "Jimmy Carter, the former governor of Georgia, is getting the best local press as he travels. Northern editors and reporters discover his charm and intelligence. . . ." *But*, Broder cautioned, they "are either unaware of or unmoved by the politicians' judgment that Carter is anything but solid in Georgia or other southern states that should provide his base of support." (The reader here will take note of the danger inherent in accepting the judgment of politicians as gospel—another lesson, as they say, of this primary season.)

Poor Broder's remarkably erroneous perception of the peanut farmer at this very early stage of the campaign (suggesting that he did not even have Georgia tied up) could conceivably have been based on information supplied by Julian Bond himself, who is a member in good standing of the "Quote Circuit" and a name in every editor's Rolodex, as was suggested two months later when a *Nation* writer (mercifully anonymous) reported that "Julian Bond . . . contends that in a three-way Georgia primary Carter would run behind both Wallace and him." ("He could be right," the *Nation* writer allowed.) Sometimes it seemed at the outset of the campaign that Bond might get more coverage than Carter in the "liberal" press (a word since mercifully striken from the political lexicon by Morris Udall, in a development that was itself not foreseen by the liberal press).

But it would certainly be misleading to give the impression that Broder was always wrong. Here he is in one of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

his better moments—July 20, 1975: "If you report politics for any period of time, you learn that nothing can be more misleading than your own hunches. The field is littered with the bones of those who let their 'instincts' blind them to what was going on. In defiance of common sense and experience, this reporter has an irresistible urge to confess to a hunch that has been nagging me for months. I think that if Ronald Reagan gets up the nerve to challenge Gerald Ford for the Republican presidential nomination, he may be a lot tougher than anybody supposes." This presentiment, of course, looked rather odd from the vantage point of Washington, D. C., but it had been nurtured in Broder's talks with fund raisers and precinct workers across the country, who "sense the country is moving in a conservative direction, which it surely is." But Broder was very uneasy about what he had written. "So do me a favor," he ended his column, "and forget I ever mentioned that hunch . . . unless, of course, it comes true."

Despite his shortcomings, Broder comes across as among the best of the political commentators appearing in *The Washington Post*, *The Washington Star*, or *The New York Times*. He has three shining virtues: candor, humor, and, above all, a lack of political bias (or at least the appearance of such), giving his columns a sense of genuinely disinterested appraisal that is rare in political commentary. All the more clearly, then, does one perceive in his columns the problems that the pundits have encountered in covering this remarkable presidential campaign.

A survey of the campaign as reported in *The New York Times* and *The Washington Post* in 1975 shows the following: There was, with a few very isolated exceptions, no premonition in these papers of the "ideas" that unexpectedly came to dominate the campaign—the "anti-Washington" mood of the voters, with its corollary that the "new faces" would indeed be new and would be governors or ex-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

governors rather than senators or congressmen or other Washington insiders; in fact, it could be said that this notion was subtly repudiated by both newspapers. In addition, the idea that more government is not necessarily better government was not acknowledged by *The Washington Post*, and denigrated by *The New York Times*. Thirdly it was not recognized how swiftly a "new face" could appear from the provinces. In March 1975, *The New York Times Magazine* published an article by a Washington lawyer named Milton Gwirtzman specifically arguing that it was no longer possible for the provincials to make it all the way to the big city. In effect, Gwirtzman said, this was because televised hearings enabled senators to grab hold of topical issues and thereby get lots of publicity. "If this is the case," Gwirtzman wrote, "what chance do the [provincial] Democratic candidates have to catch fire in the 12 months before the primaries? Not much. Even if another public event of the magnitude of Watergate were to evolve, they could not expect to be part of it."

Gwirtzman went on to point out that this problem was particularly acute for those out of office, such as Jimmy Carter and Fred Harris. What chance did they have of gaining national attention? "About as great as that of being struck by lightning." Here Gwirtzman demonstrated another of the principal misperceptions in the early reporting of the campaign—that issues, not "personalities," were what counted. But in one respect the article was truly prophetic: its title, "Who's On First?", gave readers accurate advance warning that Campaign '76 would become, in its appeal to the leisure class of newspaper readers with the spare hours to peruse weekly tabulated delegate counts and lengthy assessments of "front runners," "also-rans," and "bantam contenders"—even what NBC unblushingly called "Superbowl" on the night of the California primary—*the* sporting event of 1976. This leisure class, of course, includes many of those who live in Washington, for whom politics is an addiction in much the same way that baseball or football can be if you start following the results closely.

Wallace's Wheelchair

Examination of the *Times* and the *Post* brings to light other serious early misperceptions of the campaign. Perhaps the most noticeable is that George Wallace was consistently "rated" too highly—one of the most misleading outcomes of long-range polling. There was also a second and far more serious error—that of *under*rating the Wallace constituency by dismissing it as an aberrational vestige of racism in an otherwise enlightened nation. This seems to have been the result of something very like wishful thinking on the part of a number of allegedly "liberal" editorial writers and columnists, who were thus able to persuade themselves, and mislead their readers, into thinking that if only Wallace *personally* would go away, their vision of government (with Hubert Humphrey at the helm) would finally come to pass. But, as things turned out, Wallace *did* fade away, and the country as a result seemed to become more conservative. Wallace's constituency—the middle class—continues to make itself heard, only this time it looms much larger (in the form of votes for Carter or Reagan or Ford, who are not so easily discredited as Wallace), thus creating the impression of a rightward swing in the country. Of course, those "right-wing" votes had been there all along, but as Wallace votes they were discounted by liberal columnists as secret votes for racism and therefore not likely to be an enduring factor in American politics. It is here, especially, that the liberal bias of the fashionable press has proved misleading; and this has been most particularly evident in *The New York Times'* coverage of this campaign.

The misperception of Wallace is worth looking into in greater detail

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

because it seems, in retrospect (unlike some other errors in political forecasting), so inexcusable. In the first place, Wallace's great personal handicap, that of having to campaign from a wheelchair, was known in advance. The press not only knew, and repeatedly said, that the analogy Wallace had drawn between himself and FDR was false—Roosevelt was not paralyzed from the waist down as Wallace was—but, far more significantly, the press also knew that it had no intention of being kind to Wallace, as it had been to Roosevelt, by not photographing him being trundled about in a wheelchair. Roosevelt was President for 12 years before such photographs were published. With Wallace, of course, it was only a matter of hours before TV cameras showed his being tipped back at 45 degrees as he was lifted onto platforms.

What confused the political writers was that Wallace was continuing to do very well in the polls—he was the choice of 31 per cent of those polled a year ago, for example—and political commentators, often having nothing better to go by, go by the polls. If Campaign '76 has shown anything, it has shown the meaninglessness of long-range polls. The only names that

R. W. Apple

show up in such polls are "old" names—those that became known in earlier campaigns—and the "new" faces, inevitably, remain unknown. But the political writers, nevertheless, go chasing after those doing well in the polls and not surprisingly report back (as happened time and again in this campaign—before New Hampshire) that none of the new candidates seemed to be catching on.

Polls, then, are a snare for the press, but so are the pols. Consider: In June 1975, at a convention of the Democratic governors in New Orleans, Governor Edwin Edwards of Louisiana, Wallace's neighbor, was quoted by R.W. Apple in *The New York Times* as follows:

"It remained for Mr. Edwards to say publicly what many of his colleagues were saying off the record. The handsome, 47-year-old Cajun dismissed as 'an exercise in futility' the notion that southern governors running as favorite sons might head off Mr. Wallace.

"In his own state, said Mr. Edwards, who is a backer of Senator Lloyd Bentsen of Texas, Mr. Wallace has the backing of 60 per cent of the Democrats, and 'neither Edwin Edwards nor Senator Bentsen nor anybody else could erode that support.' "

As it turned out, however, Wallace got nine of Louisiana's 41 delegates, Carter got 13, with the remainder being controlled by Governor Edwards.

But, not surprisingly, two days after talking to Governor Edwards, Apple wrote a story on Wallace's growing popularity, saying that he would go to the convention with possibly 40 per cent of the delegates.

At the same time Tom Wicker of *The New York Times* was displaying the conventional prejudice against Wallace by saying that the Governor merely regarded the Democratic Party as a vehicle for his "fierce hunger for power and recognition," concluding that "despite the rose-colored hopes of former governors Jimmy Carter and Terry Sanford . . . there is little chance to 'stop Wallace' in the primaries." That same week, Julian Bond got a headline or two by calling Wallace a "hillbilly Hitler."

Meanwhile, it might have been worth somebody's time to take note of what Wallace was saying. One who already had—to his credit, under the prejudiced circumstances surrounding him—was *New York Times* columnist

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

James Reston, who had interviewed Wallace in Montgomery and published portions of the transcript in the *Times* magazine.

"There are more people today that are saying identically what I used to say about many things," Wallace told Reston. "You know, in '68 *The New York Times*, for instance, said it was racist to talk about law and order, but that was the main thing Maynard Jackson of Atlanta and Thomas Bradley of Los Angeles ran on. And another thing is that the great mass of middle-class America is probably in the greatest state of anguish and discontent that they've ever been in. . . . People on one end are looked after, and people on the other end are looked after, but those in the middle have been looking after everybody. . . ."

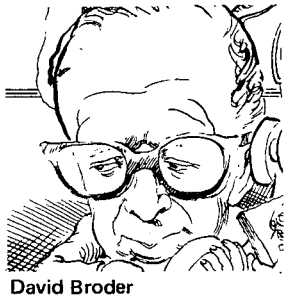
There was, of course, a good deal of truth to this, but it was still decidedly unfashionable to say it. (Now, one year later, it is less so.) In July 1975, then, William Shannon, a member of *The New York Times* editorial board, delivered himself of a tirade against Wallace, because "his venture into the Democratic primaries is another pleasurable opportunity to discharge venom and mischief as well as generate publicity." With considerable myopia for someone in so responsible a position in the press, Shannon continued:

"The persistence of Mr. Wallace's political strength, however—despite his lack of seriousness, the emptiness of his 'program,' and the fraudulence of his posing as a Democrat—is a sinister phenomenon. His appeal derives its motive power from racial hatreds and fears and from the popular fantasy that there can be simple answers to complex problems such as crime, poverty, and economic injustice."

It was true, of course, that Wallace had in the past made an overtly racist pitch to voters, but he was not doing so in 1975. He had a serious issue going for him this time, namely the neglect of blue-collar, middle-class, middle-American interests by a Democratic Party that had been taken over by an upper-middle-class elite that was forever taking up the cudgels on behalf of some new minority—the smaller the better. But Shannon now snobbishly implied that the middle class did not belong in the Democratic Party, and he ended his column with a heavy-handed diatribe containing strong overtones of class warfare.

"Beneath the nasty innuendoes and the false bravado," Shannon wrote, "there is the whine of self-pity in the Wallace propaganda themes. He remains a viable political force because too many Americans feel sorry for themselves, and he makes their pulling heard in the land."

But what was Wallace actually saying? Some months later Jules Witcover published a "Wallace



David Broder

Agenda" in *The Washington Post*. It consisted of these points: an attack on the high taxation of the middle class and on the burgeoning Washington bureaucracy; on permissiveness towards criminals; inaction in the energy field; inequitable farm policies; foreign aid handouts; "false detente" with the Soviets; and on forced busing.

Today, of course, this fairly closely resembles the new conventional wisdom, as Wallace has not failed to point out. It is true to say, then, that one of the major misperceptions of this campaign derived from a failure to understand Wallace's appeal. Liberals had been right about Wallace in the '60s—he had been a racist—and so they were confident that they were right about him again in the '70s—he merely catered to those who "feel

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sorry for themselves."

In any event, Wallace's "agenda" has now been very largely adopted by the front runners of both Republican and Democratic Parties. 1976 has been a year of changing conventional wisdom (a change that has been stubbornly resisted by liberals, whose point of view, it could be said, tends to be defined *by* the conventional wisdom), which is what has made this election so unusually interesting, and perhaps comparable in significance to the election of President Roosevelt in 1932 and the advent of the New Deal.

The resistance to change in the conventional wisdom manifested itself most strikingly in a great search, undertaken by Steven Brill and others, to uncover signs of a racist background to Carter or, indeed, any slight deviation from the liberal orthodoxy that could conceivably be unearthed. If done effectively enough, of course, this could have resulted in Carter going the way of Wallace, and the happy restoration of someone like Humphrey or Kennedy, or even Terry Sanford, if need be. It is worth noting that Sanford's entry into the race was, most unusually, hailed editorially by *The Washington Post* as "the beginning of wisdom," in one of only two *Post* editorials on the campaign in 1975—the other warning Ford not to appease the Republican right wing. Similarly, Sanford's candidacy was saluted in a *New York Times* editorial as being "good for the party." The point about Sanford, of course, was that he was perceived as having a chance of knocking out Wallace in the South without, in the process, threatening to disturb the conventional wisdom—without, that is, going so far as to espouse such Wallace-like ideas as criticizing the bureaucracy or detente. Sanford was a university president, after all, and thus could be expected to keep the liberal faith—not like Carter, the peanut farmer, who was "fuzzy on the issues," which became the code way of saying that you didn't like his stand on the issues.

The columnist who has most plainly revealed all these matters is Joseph Kraft. Mary McGrory is another good example—her mental apparatus is apparently stuck hopelessly in 1968, no doubt to remain there indefinitely—but Kraft's columns about the campaign reveal themselves as an exquisite study in liberal *angst*, 1976-style.

Joe Kraft was described by Timothy Crouse in *The Boys on the Bus* as a "legendarily aggressive social climber, a member of the set of

Joseph Kraft

Georgetown journalists who did much of their legwork on tennis courts and at supper parties." By the time of the 1976 campaign the kind of adjectives one heard associated with Kraft's dinner parties were "glittering" and "influential," and he had become an important opinion-maker among journalists not anxious to stray too far from whatever the currently accepted wisdom might be. (An article critical of Kraft in this magazine by James Fallows prompted a number of such journalists to take up their pens and rush obediently to his side.)

Crouse notes that "the single most influential piece of journalism" written in the 1968 presidential campaign was by Joe Kraft, a column in which Kraft noted, accurately, that "most of us in what is called the communications field are not rooted in the great mass of ordinary America—in Middle America. And the result shows up . . . in the systematic bias toward young people, minority groups, and the kind of presidential candidates who appeal to them."

This was quite true, of course, but by 1976 it all-too-clearly applied to Joe Kraft himself, who was by then in touch with Middle America to about

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the same extent that King Edward VII had been in touch with the thinking of Welsh coal miners.

Embarking on his coverage of the current campaign, Kraft made an excursion into Alabama in November 1975 and reported that "after a one-and-a-half hour exclusive interview with Wallace and chats with various supporters at his headquarters here in Montgomery, my strong impression is that . . . George Wallace is apt to be even more of a force in the 1976 election than he was in past national races." Like William Shannon, he regarded Wallace as one who "caters to envy and resentment." He was a "spoiler," Kraft said, who had "no chance" of being the nominee. But he might get a big bloc of delegates—enough to force a brokered convention "ending with the selection of Hubert Humphrey or Edmund Muskie." Kraft's presidential preference would soon enough become clear.

Promoting Hubert

Later in the month Kraft rightly saw Reagan as a "sharp challenger to Ford," but, oddly enough, as a challenge "from the center—not as expected, the far right." The big issue, Kraft felt, was "the economy," this being standard fare from journalists who are anxious to see a restoration of the New Deal. "The economy" has undoubtedly been one of the most grossly inflated "issues" in this election, the error being attributable in part to the recent economic recovery, but also in part to the political bias of a good many journalists. Kraft went on to advise his readers that in foreign policy "Reagan favored 'detente' to achieve peace with our adversaries." Another oddity.

By January 1976 Kraft was back on track, correctly discerning that "all the signs [in the Republican race] indicate a long drawn out, bitter head-to-head fight which will take Ford and Reagan down to the wire in the fashion of the Eisenhower-Taft battle of 1952."

The following week Kraft spotted Jimmy Carter on the horizon, "still the front runner in Iowa," but, warned Kraft, "it is increasingly doubtful that he can build the momentum necessary to go all the way." There was that momentum, making an early appearance. (For the scorekeepers, Reston had seen "momentum" in September 1975.)

In March, Kraft took up the sporting metaphor, seeing the primaries *not* as "a golf game where one player can take a big lead and breeze to victory," but more like " a tennis tournament" from which "there emerge leaders," but since "none of the players are all that strong, an outsider could still come in at the last minute and take the nomination."

The outsider, of course, would be an insider (perhaps a dining companion) from among "the heavies, notably Sens. Hubert Humphrey and Edmund Muskie."

A few days later Joe Kraft discerned voter apathy surrounding the primaries. No bad thing, he felt, from the vantage point of his Georgetown eyrie. "This lack of intense public interest in politics may not be all that bad," Kraft thought. "A certain apathy quotient is necessary to make all institutions work, and things really go to pot when everybody is simultaneously pressing claims to the limit." Edward VII may well have felt the same way if coal miners ever crossed his mind.

The following week Carter beat Wallace in Florida, showing "that the country is gradually nursing itself back to political health," but Carter's chances were only so-so, Kraft felt. There were enough uncommitted delegates shaping up "for an outsider such as Hubert Humphrey." (What had happened to Muskie?)

On his return to the capital from Orlando, Kraft began to make careful delegate counts. He foresaw "a fluid period with a lot of wheeling and dealing just before or during the convention itself, perhaps to the benefit

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of Sen. Hubert Humphrey." (Muskie was now clearly out of it.) Jimmy Carter might get 600 delegates, Jackson 700, but it will be hard for the leaders to get the nomination "even by trading among themselves." The point was, Kraft ended up, no one can doubt "that many of those who have so far restrained their enthusiasm for the announced candidates feel a certain partiality toward Sen. Humphrey."

"Is America ready for a Christian President from the South?" Kraft asked a few days later. Clearly Kraft was not. The religious approach, he felt, "heightens qualities apt to cloud Carter's prospects as the primary parade moves into more hotly contested industrial states." Kraft was clearly getting nervous about Carter: "He is overconfident and stakes out claims—such as reforming the federal government—which he can't back up." Kraft revised Carter's convention delegate count up to 800, which "would at least make him a prime candidate for Vice President." (Second only to you-know-who.)

Inflating Watergate

A few days later Kraft led off his column with the observation that "You can practically hear the tearing and splitting noises," and there was some truth to that. The old Democratic coalition was "cracking apart," suggesting that Jackson would not do so well as he had claimed in New York, "nor Morris Udall as well as he hopes in Wisconsin." Right on the money. By this stage Ford was beginning to look better and better to Kraft, and he concluded that the "Democrats remain open to being picked apart by Gerald Ford."

Then, early in April, Joe Kraft wrote one of his most interesting columns, reflecting on Watergate and Vietnam—"issues" which badly misled liberal columnists early in this campaign, as they continued to mislead Kraft here. "The most striking feature of the presidential campaign is the deliberate turning away from two dominant affairs of the recent past," he wrote. "The well-nigh unmentionable subjects are those little matters, Watergate and Vietnam." Let's not favor "candidates who give the impression it never happened," Kraft urged, adding that his "overwhelming impression after having followed all the candidates in the Midwest, the East, and the South is that the dominant issues of the past ten years are being ducked."

Kraft was displeased to note that Carter "comes on as the 'outsider' running against the Washington establishment. That in itself is a way of insinuating that Vietnam and Watergate were not national tragedies but local Washington scandals." Carter "drowns in a sea of piety the central events of the recent past."

Just as the liberal columnists inflated "the economy" as an issue, so they inflated Watergate. (It should be added, by the way, that Watergate and Vietnam are not comparable events, and it betrays a certain simple-mindedness to give them equal billing.) Watergate is receding into the past faster than anyone had imagined, and the likelihood is that a few years from now it will indeed seem—as Kraft seems to fear—like a "local Washington scandal." It is, even now, almost comical to read a column by Tom Braden, written less than a year ago, in which he chides Bo Calloway for suggesting that such matters as the "18½-minute gap" will not be campaign issues.

The mental outlook of some of our renowned opinion leaders has really been very strange recently. Joe Kraft is simply horrified that Americans now seem to think the country "was not wicked but good." This threatens to undermine everything he has stood for in the past few years. He gives a strange interpretation on this unexpected turn of events. "It may well be that the country has not, as I had assumed, taken the shocks of Watergate and Vietnam in stride," he writes. "There is a possibility that beneath a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

calm surface, guilt and bitterness are being secreted. It seems likely to me that Washington and detente are being made scapegoats for a sense of national humiliation."

How else to explain something as unreasonable as the anti-Washington mood? "The outsider's cheap shot at Washington," Kraft calls it.

After wins in Pennsylvania and Texas, Carter swiftly became just too

Evans and Novak

much for Joe Kraft to take. He plugged Hubert H. Uncommitted once again in April, noted with enormous condescension that "Mr. Carter and his inner circle are not versed in the great problems of national and international affairs, and no set of store-bought advisers can remedy that weakness," adding that John Kennedy, too, had been a neophyte, but he had been in the U. S. *Senate*, after all, and finally Kraft turned with some relief to Ford. Kraft's instinct was that the slow bumbler "may do better than the knight who seeks the Holy Grail." And the following week, Kraft gave the following advice to Ford: "Think very hard about winning without the South."

And so, as it were, Joe Kraft ended up a Republican. Such had been the shock of this campaign, revealing, as I believe, extraordinarily strong class and regional prejudice among our "elite" writers and thinkers of the northeast, who undoubtedly see Jimmy Carter as a manifestation of the fundamental "tackiness" endemic to the American hinterland—and now actually knocking on the gates of the citadel of power. If only that Carter fella would stay in Nashville, or wherever it was he came from, and let *us* (who are well versed in such matters) run the country!

One of the few columnists whose comments about this campaign seem, in retrospect, imbued with a certain degree of wisdom is James Reston of *The New York Times*. What is particularly refreshing about his columns is the feeling, first, that he is genuinely interested in the well-being of the country, rather than in subtly denigrating it, as is the case with so many of his colleagues, and equally refreshing is the sense that he really does think for himself and doesn't first hoist a damp finger into the air to determine which way the winds of opinion are blowing. This occasionally leads him astray—he fretted unnecessarily for a while last fall that the campaign was going to produce nothing but old men and old faces—but he became interested in Governor Brown very early on, and he saw that governors, at least, were likely to play a big role in the campaign. (A heresy in Washington, of course. One doesn't know where they "stand on the issues," after all.)

'A Frightful Queerness'

Like Kraft, Reston is well known for dining with topsiders, but unlike Kraft's, Reston's antennae really do seem to pick up a few ideas from time to time. It is fascinating to read, for example, early in October 1975, the following:

"If you talk to them separately [mentioned in the paragraph above were Ford, Reagan, Humphrey, Jackson, Kennedy, and Muskie] you find a common thread: They all sense that the old techniques are not working, that a frightful queerness has come into life, that events are beyond their control. They are recklessly frank in private. When they spread out the facts and follow the trends into the future, they have a shrinking and fugitive sense that something is happening to them and the nation, so that life will never be quite the same. But they go on again as before, isolated,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with the same old arguments and political tricks, knowing the world is different, but not knowing quite what to do about it."

In a recent column he comes closer than anyone, I believe, to explaining the ferocious resentment of Carter that surfaced when he became the likely nominee. Others recently have tried to explain this, suggesting Carter's southern origin, which undoubtedly is a factor. But almost certainly more important is his religion. The "wine-and-cheese liberals," as Sen. Jackson so felicitously described them, have, I think, been truly staggered to find that a presidential candidate could make headway in America in 1976 while being quite open about, and in fact drawing attention to, his religious beliefs. In "liberated" society, of course, if you have any religious beliefs, you keep quiet about them. There is a greater taboo surrounding this subject than there is surrounding one's weekly visit to the psychiatrist, for example.

Reston withdrew to his retreat in Fiery Run, Virginia, to ponder the matter: how is it that "so many people in this secularized and largely agnostic country have given their votes to a devout evangelical Southern Baptist?" He answers, with something approaching naivete at first, that "it might have been supposed that so liberated and even defiant a generation would have rejected Mr. Carter precisely because he gives public witness to his religious conviction—and of course many of them do." Then Reston really puts his finger down on the crucial point, for the first time: "Quite a few people regard him as a throwback to the age of illusion and even as a personal rebuke to their hard-won emancipation, and their liberating 'life-style.' "

Personal rebuke: I think Reston makes a great discovery there.

"But it seems that, while Mr. Carter will lose this particular vote," Reston continues mildly, "he is getting the support of a much wider constituency in America that longs for something it has lost and thinks he represents. And this is not merely the church-going regulars, though they are a numerous and powerful political force, but also the social weekend 'believers' who are not very happy with the 'liberation' or 'style' of their lives." Which may well be the last serious word on the primaries.

'Fighting the Last War'

One should not be too critical of the columnists. It is an easy matter to go back over old clips and point with glee to fallacious assessments. There have been plenty of successes: The regional press, as David Broder noted, picked up on Carter quicker than the national press, although *The New York Times* did an early series on "One Man's Pursuit of the Democratic

James Reston

Presidential Nomination" (by Christopher Lydon) and happily chose Carter. James M. Perry wrote a story for the *National Observer* in May 1975, entitled "Don't Laugh At Jimmy Carter." ("I see no one else who can beat me," Carter told Perry. "Don't laugh," Perry wrote. "Don't even snicker. Jimmy Carter. . . is a damn serious candidate for the Democratic nomination, and he's not doing badly. . . .")

Russell Baker noted ahead of the field (August 1975) that the Democratic Party was beginning to look like "a junk yard full of 1937 ideas and their 1964 retreads." Tom Wicker took note of Carter in October 1975, suggesting that "the press and the politicians—both of whom customarily spend much time preparing to fight the last war—have underesti-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mated the new boys." William Safire noted in Iowa last November—correctly, I believe, although very much contrary to the prevailing wisdom: "We will be hearing from a generally happy land. . . ."

Beyond that there has been the Campaign As Sporting Event, which for most people has been undoubtedly its most important aspect. Let's not pretend otherwise. The weekly primaries, the changing delegate counts, the charts and tables of front runners, the "forecasting" of the next "crucial" primary, can in sum induce an addiction that is identical to a sports addiction.

The political writers have played up the sports metaphor, whether deliberately or not it is hard to say, but undoubtedly to the benefit of readership and circulation. Professional assessors of the campaign have become known as "handicappers"; one read in *The Washington Post* that Carter "romped to victory" in Arkansas, and that Udall "limped home third" in Kentucky. Jack Germond noted in *The Washington Star* that in North Carolina Carter could "look ahead to a replay of the Florida contest against Wallace," and that Jackson's Massachusetts victory "altered the early handicapping" for the nomination.

Hyping the Newcomer

There is more to this than metaphor, it is worth pointing out. The tendency of the press, and television, in the final few weeks of the primaries, was to "play up" certain primaries as being "significant" for no reason other than the fact that a close contest was expected. This happened most particularly on May 25, when there were six primaries—three in southern states, the others in Oregon, Idaho, and Nevada. The press, in effect, "stipulated" victories for Carter in the southern states, for Governor Jerry Brown in Nevada, and for Senator Frank Church in Idaho, leaving Oregon as the "contest" to be focused upon. The upshot was that Carter ended the day with a gain of 107 delegates in all these states, Church with 30, Brown with 13, and Udall with three; but Carter, who had considerably increased his lead, was deemed to have "lost" the day because Church beat him in Oregon.

A similar folly prevailed the following week, when Carter once again got the largest number of delegates, but was reckoned "the loser, if there was one," in *The Washington Star* by Jack Germond (who has been prone to this kind of misleading analysis), because Carter ran behind the "uncommitted" slate in Rhode Island—decreed as the contest that week.

Just as sports writers provide an analysis of the "significance" of next week's contest, so political writers analyze next week's "crucial" primary, even though it may have no special significance. Similarly, when coverage of an election that does not take place until November 1976 begins early in 1975, as has happened, the misleading conclusion is bound to be drawn soon enough that no "front-runners," no "new faces" are emerging, even before the first primary. And this happened time and again. Campaign writing is more and more turning into a full-time job, inevitably with misleading results. In the late primaries, of course, there was an overpowering temptation to play up the "sporting contest" aspect of the campaign. Richard Reeves (whose campaign coverage has been among the best) duly noted that "the press can be counted on to hype the importance of any successful newcomer just to keep the action and ourselves on the road—like Howard Cosell, we can always find some inane reason to make late-season contests between also-rans seem more significant than Yalta."

The effect has been to exaggerate the strength of the "Stop Carter" movement, which (and here is my prediction, made before 'Superbowl Tuesday') can be expected to have faded into insignificance by the time of the Democratic Convention. ■

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Why the Bright New Congressmen Couldn't Deliver on Tax Reform

by Daniel J. Balz

Few of the freshman Democrats who caused such a stir with their procedural reforms at the start of the 94th Congress are running for reelection on the record of that Congress. They have discovered, to their chagrin, that institutional reforms do not necessarily produce the substance of reform legislation.

Nowhere does this seem more obvious than in the House Ways and Means Committee. Two years ago Wilbur Mills and the Ways and Means Committee had come to symbolize all that was wrong with the old Congress —rigid, obstructionist, conservative, arrogant. Eighteen months ago the revitalized committee seemed to symbolize much of what was going to be right about the new Congress—young, open, public-spirited, enthusiastic. Today we know better.

The Ways and Means Committee was an easy target as long as Wilbur Mills was chairman. It was simple to explain away the lack of a tax reform bill by calling Mills the most powerful man in Congress in one breath and a protector of special interests in the other. When he was deposed, proponents of tax reform rejoiced. The logjam was broken. Reform legislation would flow through this new and open committee in a swift, powerful surge.

But it didn't happen that way. After another year of disappointments, one lesson may be that it's time for tax reformers to stop thinking of themselves as lumberjacks. Their job is considerably more difficult. There is no obvious, irresistible current of public sentiment for real reform of the tax code; the process of passing sensible tax legislation will be more subtle, requiring greater public debate, than the liberal reformers have implied.

One reason is that even the reformers have limited the debate to cut-and-paste proposals, ignoring fundamental inequities in the tax code. The best example is that great middle-class tax loophole, the mortgage-interest deduction. No equitable tax system should discriminate between renters and homeowners in the treatment of income. But our system does, thereby giving every middle-class homeowner a stake in inequity.

There are dozens of similar fiddles, most of them (like the mortgage-inter-

Daniel J. Balz is a reporter for the National Journal.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

est deduction) giving greater benefit to those with the larger incomes. These preferences that remove income from the taxable category can be thought of as "tax expenditures"; all told, they will come to about $100 billion in 1977.

Most pure reformers say that only by ending these preferences, and then lowering the overall tax rate, will the system ever be made simpler and more fair. But politicians have learned to keep a healthy distance away from that kind of "reform." For there is enough money going through the loopholes into the pockets of the middle class to make a true overhaul of the system very difficult. People may want to see the fat cats' wings clipped, but not if that clipping includes the removal of the deduction for home-mortgage interest. The reaction to Jimmy Carter's campaign proposal to review that and other deductions tells all politicians to stay away from the tough choices.

With so many of these ingrained exemptions off limits, tax reform has chiefly come to mean going after corporate tax breaks and the most flagrant individual abuses. For the past three years this has meant an attack in Congress on the oil depletion allowance, foreign tax breaks enjoyed by corporations, and tax shelters in such industries as real estate, oil, agriculture, and motion pictures. But even here, the lines between right and wrong, fair and unfair, are blurred, as the new Ways and Means Committee discovered last year.

The Collapse of Mills' Consensus

A bit of history may be in order, for it shows how the new Ways and Means Committee actually began to take shape in early 1973, long before the Tidal Basin incident that led to Mills' departure as chairman. One can argue that Mills' reign ended when John Byrnes, the ranking Republican on the committee, announced his retirement at the end of 1972. Few people recognized then how important Byrnes had been to Mills, how much Mills had drawn his power through Byrnes. Mills and Byrnes understood one another, worked closely on everything. Byrnes could hold his Republicans on the committee in check, allowing Mills to search patiently for his famous consensus. It was a slow but riskless process, and it gave Mills the appearance of invincibility. Herman Schneebeli of Pennsylvania, who succeeded Byrnes as ranking Republican, had neither Byrnes' technical aptitude nor his relationship with Mills. Since Byrnes' retirement, the Republicans have no longer felt obliged to be the makeweight in a committee coalition, and the process of writing tax legislation has suffered.

By early 1973 Ways and Means had grown fat and arrogant. Mills had gone national the year before in an abortive bid for the presidency. His back ailment and his drinking had begun to limit his effectiveness, and the committee then was ripe for change.

The most important change in 1973 was the requirement that House committees mark up bills in public sessions, unless a vote were taken to close the sessions. This seemed an obvious step to reformers, but the results have been ambiguous.

Writing a tax bill is an immensely complicated procedure. A few words inserted in the proper spot can save a corporation millions of dollars a year. A poorly drafted provision can create loopholes or hardships never intended. To make sure that few of these provisions ever got into the tax code, the Ways and Means (and Senate Finance) Committee had come to depend on the technical expertise of the Joint Committee on Internal Revenue Taxation and its director, Laurence N. Woodworth. The relationship between Woodworth and Mills was as important as that between Mills and John Byrnes. Woodworth was more than just a staff man. Working behind the scenes, in closed sessions, he could help Mills steer the committee's work. That changed when the drafting sessions were

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

opened to the public. Then the staff members had to be more discreet, more gentle in their criticism of the representatives' proposals. They had to act more like a staff.

The open sessions had two other effects. First they created a new relationship between the members and the public. Suddenly there was a gallery to play to, which affected in small ways the approach some members took in considering a bill. The open sessions also gave corporate lobbyists greater leverage. Members complained that they felt constrained to ask particular kinds of questions, for fear their positions would be misinterpreted. Lobbyists could apply remedial pressure to members who went against them.

Second, the open sessions helped reduce the role of the Treasury Department to that of the loyal opposition, instead of an often-active force for tax reforms. As long as the sessions were closed, Treasury had enjoyed nearly as much prestige as did the Joint Committee staff. Its members shared the same staff table; the assistant secretary of the Treasury for taxation was a power in his own right. When the sessions were opened, Mills felt obliged to remove the Treasury from the staff table and relegate them to the status of special observers. Their power has never been the same.

(The Treasury Department's role was further damaged by the appointment of William Simon as Treasury Secretary. Simon has no abiding interest in taxes, and despite occasional speeches about purifying the tax code, rarely lobbies for anything other than corporate tax breaks.)

In the spring of 1973, Ways and Means began a prolonged series of hearings on tax reform. At just the same time, institutional changes in the House were beginning to affect the committee's operations, although the outward appearance was of a committee as strong and resistant to change as ever. The hearings led to nothing that year; the committee set aside the bill in mid-year and never returned to it.

There were two main challenges to Mills' power the following year, and both showed how vulnerable he and his committee had become. The most substantial was the work of the House Select Committee on Committees, chaired by Richard Bolling, which proposed in December 1973 that Ways and Means be forced to give up many of its powers. A second and more inflammatory challenge came from Rep. Bill Green, the committee's *enfant terrible*, who used a new caucus rule to try to repeal the oil depletion allowance. Both challenges had Mills on the run in the first half of 1974. He responded not as an invincible monarch but as a frightened tyrant. His legislative tricks and brazen show of power infuriated even more members of the House. He demonstrated that Ways and Means had become much the same as the other committees in the House, and therefore no longer sacrosanct.

The "Liberal Bloc"

The wave of reform that came after the 1974 election struck hardest at Ways and Means. Mills, personally a broken man by now, gave up his chairmanship before he was dethroned. The committee's Democrats were stripped of their power to appoint Democrats to other committees. And the size of the committee was enlarged, from 25 to 37 members, to bring in a corps of new Democrats, all with the purpose of changing the tax laws. The press hailed the changes as the beginning of a new era on Ways and Means. In fact, the changes ratified the deterioration that had already occurred. It was left to the new group to create something different, but it soon became apparent that youth and enthusiasm did not necessarily bring about tax reform, nor did it guarantee that people who had unanimously favored something vaguely dubbed "reform" would still agree when it came down to the details of rewriting the tax code.

But for the first few months of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1975, everything did look different. The twin crises of recession and energy concentrated much of the important action by Congress in the Ways and Means Committee.

Many bits of evidence created the impression that a powerful liberal bloc now dominated the committee. For several years, such committee Democrats as Sam Gibbons, Bill Green, James Corman, and Joseph Karth had been lonely voices on behalf of tax reform. Because they were Democrats and tended to be liberal, they became known as the liberal bloc, and this liberal bloc was recognized as *the* force for reform in the House. The larger committee contained new, young Democrats who favored more reforms plus veteran Abner Mikva of Illinois, who became part of the core of the new liberal bloc. *The Wall Street Journal* took special note of this group's potency in a front-page piece in the spring of 1975.

Although tax reform could mean many things, in Congress it had been reduced to one overriding issue: repeal of the oil depletion allowance. Unfortunately, this, too, perpetuated the myth that tax reform is a liberal-conservative issue, for it was the liberal northern Democrats, who had no big oil companies in their areas, who favored killing depletion and the southern Democrats and conservative protectors of big business who wanted it to continue. Al Ullman of Oregon, who succeeded Mills as Ways and Means chairman, wanted to steer clear of the question while considering the tax reduction act, the first major bill the committee took up. He feared that the complication could destroy the entire bill. But Gibbons, Green, and Mikva went after depletion early, despite the entreaties not only of Ullman but also of the AFL-CIO. When Green and Mikva prepared to abandon the fight, Gibbons persisted. The full House voted to kill depletion, and Ullman agreed to fight for it in conference. The liberal bloc came out with a victory.

While depletion was the liberal bloc's one great victory of the year, it proved a poor test of their power. There were few other symbolic tax reform issues with the same power to tie liberals together. The remaining problems were too messy; the villains not so evil.

What's Liberal

The erosion of the liberal bloc began to show up when Ways and Means took up the energy bill in the spring of 1975. House liberals rallied to attack the oil companies; they scattered when confronted with a gasoline tax. Democrats on the Ways and Means Committee first recommended a tough 40-cent-a-gallon gasoline tax. This was eventually modified by the full committee to three cents a gallon, with a standby provision for an additonal 20 cents if U. S. gasoline consumption rose above 1973 levels. But when the bill went to the House floor, the 20-cent standby tax was overwhelmingly defeated by a vote of 345 to 72, and the three-cent tax was stripped out of the bill by a vote of 209 to 187. The liberals on the committee were stunned. They considered their proposal the liberal approach to energy conservation. But they learned that other liberal Democrats saw the proposal as a penalty to the poor and as a violation of 1974 campaign promises.

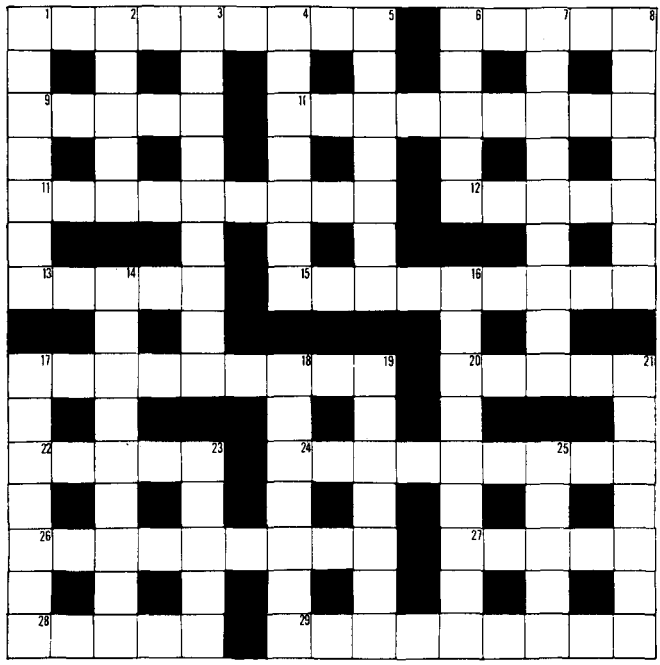
Ways and Means finally took up tax reform after Labor Day. The proponents of reform had two goals. One was to eliminate abuses afforded wealthy investors through the use of tax shelters. The other was to eliminate foreign tax breaks enjoyed by U. S. corporations. The chief target was DISC (Domestic International Sales Corporation), which allows a U. S. firm to defer taxes indefinitely on a part of its export earnings.

The committee's first steps to eliminate tax shelters were good (if somewhat complicated to describe). By limiting artificial losses to the income generated by the shelter investment, the committee reduced the incentive

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the political puzzle

by John Barclay



ACROSS

1. Carter and Reagan formerly against speed. (9)
6. Candidate? Just a backward boy in Underwriters' Lab. (5)
9. Turning this stone shows something's coming. (5)
10. Be, with a noble tremble inside, on the edge. (9)
11. They pick up, stir the rags, and put in there. (9)
12. To mix this color is a chore. (5)
13. Urge a debate arrangement. (5)
15. Playthings cause a nasty riot. (3,6)
17. Amazing how a grant list develops. (9)
20. Right wright? (5)
22. Starts round enclosures? (5)
24. Politician consumed after being frank. (9)
26. Sets up pot shot at document copy. (9)
27. Country spoken of in plain dialect. (5)
28. Acheson and Rusk bring Sam back. (5)
29. Representatives made from aged steel. (9)

DOWN

1. Aggie? Or from State! (7)
2. Look over where Roman six convene? (5)
3. Worst canvas from tent store. (9)
4. To stuff confuses ERA vote. (7)
5. If stays come around, they will be enough. (7)
6. Have the habit in gorgeous Eton collar. (3,2)
7. Stepping off the plane into an illumination? (9)
8. Settler makes up correspondence. (7)
14. On hot day, a little refreshment makes parades go. (5,4)
16. Muskie puts confused state in the circle for the rest. (9)
17. Ceased to put the penny in the stations up. (7)
18. Manipulation of tin dice caused riot. (7)
19. Anything in procreation line can be elating. (7)
21. Surgeon performs, parents indisposed. (7)
23. Political ads mounting ceases. (5)
25. In this account, ancient Ford follows import. (5)

The numbers indicate the number of letters and words, e.g., (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word. Answers to last month's puzzle are on page 39.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for doctors and lawyers and the like to put their money into such things as cattle breeding or oil and gas drilling. But those were only tentative decisions under the strategy adopted by the cautious Ullman, an approach he had chosen to be fair to all sides, but one that later worked to cripple the committee bill.

Sam Gibbons, the purest tax reformer on the committee, had set out long before to kill DISC. The Library of Congress estimates that in 1977 DISC will cost the government $1.4 billion in lost revenues, which to Gibbons was nothing but a giveaway. But DISC supporters say it has created jobs—230,000 by the Treasury's estimate—and has stimulated exports—$4.6 billion worth in 1973. In a year of record unemployment, anything related to that magical word "jobs" has special appeal to members of Congress, and the business lobby knew it. They mounted a massive and sophisticated attack. They got plant managers throughout the country to contact their representatives to warn that the repeal of DISC would eliminate jobs in their district.

Gibbons was not only surprised at the power of the counterattack, he was wounded as well. "They talked to me as if I hadn't even heard of DISC," he said later. When Gibbons offered his motion to repeal DISC, only six other Democrats joined him. Among the Democrats who voted against repeal were Joe Karth and Bill Green.

Nothing Simple About Reform

The reform proponents were plagued with another weakness in their approach. At times it seemed that their only standard for evaluating a proposal was almost strictly on the basis of how much revenue it would bring in. If one proposal raised $1 billion and another raised $800 million, the $1-billion proposal was better. In many cases, that yardstick made sense, especially in proposals designed to tighten tax shelters. But the reformers carried it beyond what is necessary. They lost the ability to set an overall goal of producing simple and good tax provisions. The bill produced by the House Ways and Means Committee did little to simplify what is already a tax code that is too complex.

The reformers also suffer from an inability to distinguish between the different sorts of tax incentives. Virtually no one bothers to differentiate between incentives which actually change behavior—inspire business to create more jobs, open more factories, build more homes—and those which simply reward people for doing what they were planning to do all along. This is hardly a new problem: John Kennedy's investment tax credit, designed to expand capital investment, ended up paying businessmen for a good many outlays they would have made anyway. Still the lesson has not been learned. With the mortgage-interest deduction, Congress neglected to stipulate that only new homes should be eligible. Without that, turnover is the only thing rewarded, not creation of new housing.

To most reformers, anything that helps business is bad, whether (like the capital gains provision) it is purely a turnover-reward, or whether it actually expands capacity and production. Yet privately some reformers searched their souls about charges that the Treasury-House approach to curbing the use of tax shelters would hurt both housing and energy production. Publicly they stuck to the House version.

What is clear now is that the process of reforming the tax code is no simple matter. The new openness of Ways and Means may, eventually, work in favor of tax reform. It should prompt a more intelligent debate, a more thorough airing of the consequences of both the status quo and the alternatives. But the road will be longer and more difficult than the rhetoric of late 1974 led people to believe. Lawyers don't make hundreds of thousands of dollars a year because the tax code is easy to understand. ■

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Triumph and the Trivia: Inside the Carter Headquarters in Pennsylvania

by Walter Shapiro

I have always been seduced by the imagined drama of presidential politics. One of the most vivid memories of my childhood is watching the ever so valiant, but ever so futile, rallies for Adlai Stevenson at the 1960 Democratic Convention. In 1961, I actually cried while reading what I thought to be a terribly poignant passage about Hubert Humphrey's West Virginia campaign in *The Making of the President 1960.*

In quest of more authentic experience than that filtered through television or books, I went along with some high-school friends to the 1964 Democratic Convention in Atlantic City. (We obtained convention tickets from Frank Church by telling his administrative assistant that I was really a resident of Boise who just happened to be going to school back East.) In retrospect, the authenticity quotient was limited. But I did get to shake Adlai Stevenson's hand ("I've always admired you, Governor," I recall saying), and got an autograph from Luci Baines Johnson.

Somehow I missed the 1968 and 1972 presidential campaigns. In 1968 my abdication was voluntary since I was going through a phase where my political views were a little to the left of Bernadine Dohrn and therefore had little time for the likes of Kennedy or McCarthy. In 1972 I was preoccupied with my own political career, having embarked on a long-shot congressional candidacy that made me the equivalent in Michigan's second congressional district of Mo Udall in the present presidential campaign. Put another way, I spent the whole campaign waiting to be discovered by CBS News, and when no camera crews arrived I had to face the grimy and expensive reality that running for Congress is not the most glamorous occupation in the world.

Unfortunately, my congressional race did little to dislodge presidential politics from its prominent role in my personal myth structure. I still equated a campaign headquarters on the eve of election day with life in the trenches just before going over the top. Watching at home, I became as excited over the long count in the Wisconsin primary last March as I did over the final game of the 1975 World Series.

To satisfy my own craving for

Walter Shapiro is an editor of The Washington Monthly.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

some really authentic political experience, I spent most of the week before the April 27 Pennsylvania primary sitting close to the center of Jimmy Carter's state campaign. If ever politics was to live up to the grandiose expectations that I had nurtured since youth, it should have been there in Pennsylvania on the eve of the most significant primary of 1976, watching the most successful long-shot presidential campaign since Wendell Wilkie.

F.D.L. Looms in Sight

Here are some of my impressions of those five crucial days in politics 1976:

Thursday, April 22—Tim Kraft, Carter's 35-year-old state coordinator, is partially immobilized with a throat infection. So I get to meet the man whom R. W. Apple of *The New York Times* called "the Gene Pokorny of 1976" (Kraft organized Carter's opening victory in the Iowa precinct caucuses) in the basement of the Philadelphia townhouse where he was staying. The windowless room was filled with campaign equipment and Kraft's battered suitcase lying open on the floor.

In briefing me on the campaign, Kraft announces, "I have Franklin Delano Lopez coming in from Puerto Rico. He's our chairman down there. Then there is a state senator coming in from New Mexico. And Joe Timilty, a state senator from Massachusetts, who ran for mayor against Kevin White, should be arriving this weekend."

By this time Kraft is on the phone, resuming a steady stream of calls. One of his major concerns is getting the results of yesterday's telephone canvass—or "NTAs" as they are called, after the commercial firm that does the work. After about a half hour of trying, Kraft finally reaches someone at NTA: "What were your NTAs last night? . . . 30 [per cent favorable]. Hanging in there, isn't it . . . Let's see how about a recall on the twos [the undecideds] . . . You're going to need black callers, of course . . . If we contracted for more calls, would you know where to put them? . . . We could go into Westmoreland County . . . . "

After a quick lunch, Kraft calls the Philadelphia Sheraton to make a reservation for Franklin Delano Lopez. Another phone call goes to Tick Segerblom, the assistant state coordinator. They discuss the merits of sending an additional campaign worker into Butler County (it's not one of the "biggies"). Hanging up, Kraft leans back in his swivel chair and sits motionless for about 90 seconds with his eyes tightly closed. He then takes a message slip off the pile and calls Hal Gulliver, the political editor of the *Atlanta Constitution*. ("It's going to be close," is Kraft's assessment.)

Throughout the afternoon, Kraft tries to reach "Lefty" Scamese, a steelworkers official who is friendly to the Carter campaign despite his union's endorsement of Jackson. When Kraft finally reaches him, the conversation goes like this: "Hi, Lefty . . . Pretty good, boy . . . Sorry to bother you at home . . . Great, we appreciate that, it was a good trip . . . It was something that the local staff overlooked, they just don't understand protocol . . . Lefty, I just wanted to ask you for a little assistance. A state senator from Boston—Joe Timilty, he ran against Kevin White—is coming down and I thought he could be most useful in the last couple of days calling union leaders and explaining Jimmy's record. No hard-sell or anything . . . I was wondering if he could touch base with you and you could give him a few names . . . He's got a future. He'll either run for mayor again or a congressional seat. You'll like him—he's going places. . .Thanks again, Lefty, give Joe all the help you can. We'll remember it."

Friday, April 23—It is slightly after noon when Tim Kraft arrives at the state campaign headquarters with Franklin Delano Lopez in tow.

(Kraft, who speaks fluent Spanish,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

went to Puerto Rico in mid-March to find a local chairman for Carter. He stumbled on Lopez at an island-wide meeting of Americans for Democratic Action. The Puerto Rican party caucuses were disrupted by bitter fist fights between Jackson and Carter supporters. Carter claims to have won 11 delegates at the initial caucuses, but a rump session was later held that elected a delegation pledged to Jackson.)

Cousin Cal Carter & Co.

The highlight of the morning had been Kraft introducing Lopez to Carter, who was campaigning in Philadelphia. "Jimmy's right on top of the situation in Puerto Rico," Kraft reports. "He called it an out-and-out disenfranchisement and told Franklin that we're going to fight for those delegates." Lopez, an amiable man with a small moustache, nods vigorously in agreement.

A minor crisis awaits Kraft. Griff Ellison, a 29-year-old former assistant publisher at *Harper's* who is handling scheduling in Pennsylvania, asks Kraft to choose between two conflicting events that Carter has been invited to on Sunday. One is an Earth Day rally at which Udall has already agreed to speak. The other is a community fair called Glenside Fun Sunday. Both have demanded Carter's presence and both guarantee crowds of about 5,000 people. A decision is deferred while Ellison goes to check out both sites.

All four phones in the small state headquarters are in active use. Periodically, one can hear Franklin Delano Lopez, saying, "I was very impressed with his knowledge of our situation in Puerto Rico." In the background, Tick Segerblom is saying into another phone, "Did you see yourself in *The New York Times* today?" (The *Times* had run a small profile of the Carter advance man in Williamsport, Pennsylvania.)

Kraft, who was executive director of the New Mexico Democratic Party before signing on with Carter, calls a friend in Albequerque to get the results of the New Mexico caucuses. Then a call to Bill Eaton of the *Chicago Daily News* about the possibility of voter fraud at the polls in Philadelphia on Tuesday.

A new arrival in the office is Paul Kalill, a city councilman from Springfield, Massachusetts, who has flown down at Kraft's request. Kalill, who is in his early thirties, describes himself as "the first public official to endorse Carter in Massachusetts. Kalill is Lebanese and has been working on a Carter press release deploring violence in Beirut. Accompanying the press release is a short letter to Lebanese clergymen (it begins, "Dear Father") asking them to discuss Carter with their congregations.

Jack Sullivan, Carter's state chairman, is telling a story about Pete Flaherty, the mayor of Pittsburgh who had endorsed Carter. "Here was this guy trying to line up an Allegheny County cocktail party for Carter at $100-a-plate," Sullivan said, "and then Pete Flaherty invited them all free. It made this guy look ridiculous." Wandering aimlessly around the office is Ben Brown, a black state representative from Georgia.

It's now almost 5:30 and Tim Kraft mentions that Calvin Carter, a third cousin of the candidate and an insurance executive in Tampa, will be coming by. Calvin Carter and Kraft became friends during the Florida primary. In the background, Griff Ellison is saying into the phone, "I told the Secret Service, you can keep your command post at the Warwick, we're going to be at the Holiday Inn."

"How you, Cousin Cal?" Tim Kraft shouts when Calvin Carter, a dapper looking man wearing a light blue blazer, enters the room. He is to be one of the speakers at a fund-raising dinner for Carter featuring Ted Sorenson. In the interim, Kraft puts him to work calling delegates pledged to Pennsylvania Governor Milton Shapp, who has already dropped out of the race. Someone says, "The press and the Governor do not like the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Warwick. Do you know if anyone has called the Warwick to cancel?"

Everything in the office stops in honor of the seven o'clock news. There is vigorous channel switching to catch the maximum number of Carter clips. Roger Mudd observes, "A Carter victory in Pennsylvania could signal that it is all over. . . ." ABC reports, "The polls show Carter ahead. . . ." A shout is heard in the office: "Washington, here we come."

A decision is made to send Carter to the Glenwood Fun Sunday instead of Earth Day. Griff Ellison has the unpleasant task of calling the organizers of Earth Day. It is a difficult phone call: "It's so far out of town and off our route . . . We had to push for a site much closer to where our plane is . . . I wasn't aware that you sent out a news release . . . It just wasn't the best place, that's all."

Saturday, April 24—Scheduling for Carter's return to Philadelphia this evening and his plans for tomorrow are the first concern this morning. Originally, Carter was to speak at a dinner of the National Council of Jewish Women, but they called at the last minute to say that the executive committee had voted to cancel the invitation. "It sounds like a Humphrey trick to me," was Kraft's assessment. Griff Ellison consoles him by saying, "We wanted to get out of it anyway." Tim Kraft is handed a message that says that NBC has found out about the cancellation and is calling for an explanation.

Another problem is that rain is forecast for Sunday in the Philadelphia area. Griff Ellison asks, "Tim, what should we do if the Glenwood thing is canceled by rain?" The fallback plan is that Carter should go to the home of Jack Sullivan, and use the time to make phone calls.

Tim Kraft is concerned that too many appointments have been scheduled for Carter at the hotel that evening. The longest is a 30-minute interview with Walter Mears of the Associated Press, but Kraft's particular concern is the one he set up—a

Tim Kraft and Jimmy Carter

15-minute session with Wendell Young of the Retail Clerks Union for 8:00.

It is now 10:30 and ten people are crowded around a table in Stouffer's restaurant in the heart of the downtown business district. Franklin Delano Lopez and several of his colleagues from the Carter campaign in Puerto Rico have set up a meeting with representatives of Philadelphia's Spanish-speaking community. Kraft and Lopez are alternately explaining how Jackson stole the Puerto Rican delegation from Carter. Lopez complains that "one of the places we have to go to register a complaint is the home of the police chief who beat us up." Kraft, who is speaking English with occasional forays into Spanish, makes a brief presentation to the group: "When the Governor talks about foreign policy he emphasizes two things. One is secrecy. The other is that Kissinger . . . neglects this hemisphere . . . When he was Gover-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Mikki Ehrenfeld

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nor, he visited five or six Latin American countries."

A long, rambling discussion on what can be done in the Philadelphia Puerto Rican community three days before the primary is interrupted when Kraft excuses himself to make some phone calls from a pay booth. Desultory conversation continues at the table in English and Spanish. Meanwhile I notice a small item in the *Philadelphia Inquirer* promoting Earth Day. The two-paragraph story, obviously rewritten from a press release, begins, "Jimmy Carter will be there. Mo Udall will be there."

When Kraft returns, two decisions are made. It is agreed that the Carter campaign will pay $500 for 25 poll-watchers in the Puerto Rican community. (Franklin Delano Lopez writes the campaign a check for $250 to help cover it.) There will also be some pro-Carter advertisements on Spanish-speaking radio stations in the last two days of the campaign. Kraft and Lopez animatedly try out sample texts for ten-second spots.

Later in the morning, Kraft chats with Charlotte Scott, the local press secretary. She complains that "we can't find any black VIPs" for Carter to meet with. Kraft commiserates by noting, "We've never had this many people and Jimmy in the same state before . . . The advance is all screwed up. . .If only we could explain it to the press."

Kraft is given the latest surveys by pollster Pat Caddell. It gives Carter 35 per cent, Udall 14 per cent and has Jackson trailing badly with just ten per cent.

Lunch is obtained from the Happy Buddha, a Chinese carry-out. Kraft wonders how Joe Timilty is doing with Lefty Scamese, the steelworker official. He is asked where he will be sent after the Pennsylvania primary. "The handwriting on the wall says I'll get New Jersey," Kraft says with some sadness. He calculates aloud, "California is out, maybe I'll push for Ohio."

Arriving back at his office, Kraft finds in the mail a Xerox copy of a *Washington Post* profile of him. Griff Ellison reads the first paragraph aloud to the office: "A little more than a month ago, a slightly bedraggled-looking man of 35 with a Pancho Villa moustache and a mischievous grin came into Pennsylvania with a typically immodest goal: to nail down the 1976 Democratic presidential nomination for Jimmy Carter." The loudest laughter is triggered by the phrase "Pancho Villa moustache."

It takes Kraft until 3:30 to reach Wendell Young of the Retail Clerks Union about his eight o'clock meeting with Jimmy Carter that evening: "Wendell, if you can be at the hotel at 7:30, I'll meet you in the lobby."

Kraft has also arranged for Carter to pose for pictures with Franklin Delano Lopez and the other members of the Puerto Rican delegation. The photographs are taken in a hotel corridor, where Carter pauses before a seven o'clock television interview. I

hear Lopez telling Carter, "...then they say our conventions are canceled and the police chief who beat us up...." Carter looks grave as he says, "I wish I could have been down there with you." Tim Kraft's major concern is that not all the Puerto Ricans are in the picture. Meanwhile, Carter is saying, "They've done all they could to hurt me...." Kraft hands Carter an article from the San Juan newspaper on the "ethnic purity" controversy which was written by one of the members of the Puerto Rican delegation. Carter assures the author, "I'll be reading it soon," and disappears into a hotel suite for the television interview.

At 7:30 Kraft is in the lobby of the hotel waiting for Wendell Young. He is chatting with Roger Lewis, a young dentist with suede patches on his sport jacket, who has flown in from the West Coast to help with the final days of the campaign. (I'm later told that he does Angie Dickerson's teeth and that the labels in his clothing read "Halston.") He is Carter's Southern California finance chairman.

7:45—Tim Kraft is growing increasingly nervous, his eyes darting from one entrance to another looking for Wendell Young. Tick Segerblom, the assistant state coordinator, is telling Carter's campaign director, Hamilton Jordan, "I'm finally meeting the candidate tomorrow." Jordan laughs and says, "Big thrill." Segerblom explains, "For the last four months my father has been asking me if I've met him yet."

7:50—Tim Kraft, for the tenth time today, is asked if he knows where he is being sent after Pennsylvania. Kraft, his eyes never leaving the door, just mutters, "To go West, you've got to give them an ultimatum like Chris Brown did." (Brown has been given Kraft's old job as Western states coordinator.)

7:55—No sign of Wendell Young. Betty Rainwater, Carter's assistant press secretary, comes by to tell Kraft, "If he's not here by 8:10, Jimmy's going to leave."

8:05—Tim Kraft slowly gets off the couch, reaches in his pocket for a dime, and says tonelessly, "I'll just go confirm the disaster." A moment later, Kraft returns from the phone to report, "No answer."

8:10—Wendell Young, wearing a lime green leisure suit, walks into the hotel lobby with his wife and young son trailing in his wake. He greets Tim Kraft effusively and then says, with a rueful grin, "Did I louse anything up? It was this boy's birthday and we were out celebrating." Kraft merely smiles and herds the family toward the elevator.

'Too Tall' Rutherford and Troopers

Sunday, April 25—It rains all day and the Carter visit to Glenwood Fun Sunday is canceled. The trip to Jack Sullivan's home to make phone calls is also a disaster because the Secret Service gets lost en route and Carter arrives so late that he can stay for only ten minutes.

Monday, April 26—The state headquarters has become increasingly hectic as the number of outsiders has steadily grown. Already, Roger Lewis, the Southern California dentist, and Ben Brown, the black state representative from Georgia, have selected it as their base of operations. Brown, immaculately clad in a denim leisure suit, confides that the election is "fluid, awfully fluid."

"All the troops are coming in" was the way Tim Kraft described the process. Joe Timilty was finally flying in from Boston that evening. Also en route was Tom "Too Tall" Rutherford, a 29-year-old state senator from New Mexico whose campaign Kraft managed in 1972. Between the infrequent sessions of the New Mexico legislature, Rutherford pilots a balloon for Budweiser.

Tim Kraft begins his round of phone calls. Throughout the day, he will be calling his local coordinators around the state and asking two key questions: "Seen much Jackson activity?" and "What is the long-range

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

weather forecast in your area?"

About 12:30, two CBS radio reporters arrive to interview Tim Kraft. Actually, they conduct two interviews with Kraft. The first is fairly sophisticated and detailed. It is the warm-up. The second, which is taped for radio, focuses almost exclusively on the chances of violence at the polls. Kraft rattles off a litany of Rizzo horror stories: "There have been a lot of unfavorable calls to our office. . . There have been some virtual threats . . . .Some city employees have been told to get their relatives off the Carter bandwagon. . .I hope we can have a free election. . . . "

One of the new arrivals in the campaign headquarters is Art Leibowitz, a large man with a goatee, who is in charge of NTA's phone canvassing operation in Pennsylvania. Leibowitz explains that NTA tries to keep its operation under wraps because the public—and much of the press—mistakenly assumes that phone canvassing is being done by campaign volunteers, not paid workers.

The phone banks are not entirely secret, however. One of the CBS reporters asks to visit one on election day. Kraft obliges, but when the reporters leave, Leibowitz asks him, "CBS, what do they know? What do I tell them when they come tomorrow?"

Leibowitz hand delivers the latest phone canvassing results. They give Carter 38 per cent favorable in Philadelphia, 42 per cent in Pittsburgh, and 38 per cent statewide. Kraft uses this information to make another projection of the outcome of the preferential primary—Carter, 38 per cent; Jackson, 35 per cent; Udall, 17 per cent.

Lunch is a group outing featuring Kraft, Kalill, Leibowitz, Tom "Too Tall" Rutherford, and Cathy Crein of CBS, who will be directing the network's coverage of Carter on election night. Paul Kalill is raving about how persuasive Ted Sorenson was at a campaign breakfast for Carter this morning. He adds, however, "Last night, the hotel had Sorenson being billed for his room. I was standing right next to him when he checked in. He didn't say anything, but I could tell he was annoyed. So I said it was a mistake and had the hotel bill it to the campaign."

Joe Timilty's Late Charge

Around mid-afternoon, Kraft visits the main Philadelphia headquarters. Skinner Donahue greets him with the news, "The *Boston Globe* did a story on me. You're mentioned in the last paragraph." Pollster Pat Caddell comes by and tells Kraft, "You better pray that we make some headway with Rodino and the uncommitteds on Wednesday and Thursday or you're going to New Jersey." Kraft grimaces.

Later in the afternoon, Mikki Ehrenfeld, who has been scheduling Roslynn Carter, comes by to talk with Tim Kraft. "You really should come by tonight and say hello," she gushes. "She really likes you, you're one of her favorites. Not only of her, but of both of them."

Across the room, Roger Lewis, wearing a blue leisure suit and a gold chain around his neck, is saying, "I've got a great fund-raising approach. I say I've just flown in from California to raise money and how desperately we need it for tomorrow." A few minutes later he is on the phone saying, "Paul, it's greatly appreciated. I'll tell Jimmy."

Kraft phones Pittsburgh Mayor Pete Flaherty, the most prominent Carter supporter in the state. The conversation goes like this: "Mayor, sorry to bother you if you're busy. I just wanted to get the late evening bulletin. . .Have you seen any increased activity, phone banks or anything like that? . . .Last I heard it was snowing in Wilkes-Barre. . .I was going to mention Washington County. It has gotten slim handling. If you have friends out there you might call. . . ."

Joe Timilty finally arrives at 7:30, looking like he just stepped off a campaign poster. In his well-tailored

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

navy blue suit, he is strangely out of place amid the debris of the office. He is given a detailed run-down on the situation in Philadelphia. After hearing about a number of possible deals with Philadelphia machine politicians uneasy about their alliance with Jackson, Timilty observes: "I think the dice are cast. It's too late. They're just fooling around with you. They'll shave a few votes from Jackson to cover their bets. That's all."

By 10:15 the state campaign headquarters is empty. Except for Tim Kraft sitting at his desk making phone calls; checking with campaign workers around the state; agonizing over turnout; worrying about the weather.

Zausner's Urgent Call

Tuesday, April 27 (Election Day) —In Philadelphia, election day is gray with temperatures in the forties. Not ideal weather, but not a blizzard either. The weather elsewhere in the state is a subject of endless speculation. At 9:30 a. m. Tick Segerblom reports that "it's snowing in Altoona." At 10:00 Tim Kraft is humming, "Nothing but the dead and dying in my little town," and announcing, "Bad weather in Pittsburgh."

By noon, the new obsession is turnout. Everyone is knowledgeably repeating the information, "At noon in Pittsburgh the turnout is 12 per cent." The problem is that no one really seems certain what noon turnout in Pittsburgh generally is. Thus, the interpretation of this information is a barometer of moods. Pessimists dismiss the turnout as "light" and go back to worrying about the weather in Wilkes-Barre. Optimists call the Pittsburgh turnout "moderate" and take consolation in the fact that it is not actually raining in the Philadelphia area. A few of the most sanguine even dismiss the persistent snow rumors as merely "flurries."

Tick Segerblom is worried because Pat Caddell has given him "indicator precincts in Pittsburgh that don't exist." Tim Kraft and most of the other Carter staff members are worried where they will be sent next. The overwhelming consensus is that New Jersey is a hardship post and being selected for California is the equivalent of being tapped for Skull-and-Bones.

Meanwhile, ten or so lawyers, assembled from up and down the east coast, are on hand to guard against possible voting irregularities in Philadelphia. These young lawyers, wearing their best suits, their petitions of complaint already prepared, seem to feel they are doing Jimmy Carter the kind of favor that he will never forget. Sitting there in the campaign headquarters, dubbed "Carter legal headquarters" for the duration, they seem preoccupied with the prospect of serving as "assistant attorney general" in the Carter administration.

As it turned out, the Pennsylvania primary was one of the quietest elections on record. (Voting irregularities are, of course, almost a secular religion in certain machine wards. But in areas like that, who's going to complain?) At best, the four phones in "Carter legal headquarters" rang once every ten minutes. Most of these were reports, not of election fraud, but of simple machine breakdowns. As Paul Goodrich, who was overseeing the legal strike force, put it, "Our lawyers are just sitting around with nothing to do, lying about how much they make and the big antitrust actions they almost handled."

There was just one period of intense activity. This was about one in the afternoon when an NBC camera crew, which obviously hadn't gotten the word that this was a clean election, arrived to film the Carter strike force in action. Action was generated by having another Carter campaign headquarters call the legal strike force with false complaints. There was total silence for the five minutes after NBC arrived. Then suddenly, bedlam with all four phones ringing at once. For the uninitiated this was high election drama. There is Andy Zausner, a Philadelphia attorney, saying into the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

phone in a staccato voice, "Trouble in the sixteenth ward. It's the third time they've called." A second later Zausner is on another phone, saying, with even greater urgency, "I'm told that the entire ward is having illegal electioneering. Jackson people are going wild. . .I'm told this is the third or fourth time people have called on this. . .I'll get back to you." A moment later, Zausner is answering another call and then walking to the office's giant wall map to point to where Broad and Lehigh are. The camera crew charts Zausner's every movement across the room, phone in hand.

Then as suddenly as the calls began, they cease. Although the NBC news team stays around for another 15 minutes, slowly loading their bulky equipment, none seems to find it odd that election day complaints flow into Carter legal headquarters in very erratic spurts.

But my most vivid memory of election day is after the polls closed and Carter's strong victory was ratified by the television networks' computers. There is Jimmy Carter, bathed in television lights, saying to the crowded ballroom, "It's a mistake to single out a few people for this victory, but let me just introduce (Pittsburgh mayor) Pete Flaherty, (former Senator) Joe Clark, (state volunteer chairman) Jack Sullivan, and Joe Timilty." Joe Timilty? Yes, Timilty, who had worked his way on stage to bask in the glow of Carter's victory.

Answers to last month's puzzle:

1 E	L	2 E	C	3 T	O	4 R	A	5 L	V	6 O	T	7 E	S	■
N	■	M	■	E	■	E	■	I	■	H	■	N	■	8 B
9 E	V	I	A	N	■	10 P	A	N	H	A	N	D	L	E
M	■	R	■	N	■	O	■	C	■	R	■	E	■	T
11 A	M	A	T	E	U	R	■	12 O	P	E	N	A	I	R
■	■	T	■	S	■	T	■	L	■	■	■	R	■	A
13 P	R	E	S	S	E	S	O	N	■	14 P	A	S	T	Y
R	■	■	■	E	■	■	■	■	■	L	■	■	■	E
15 E	L	16 A	T	E	■	17 R	O	18 C	H	E	S	19 T	E	R
D	■	N	■	■	■	I	■	O	■	N	■	O	■	■
20 I	S	T	H	21 M	U	S	■	22 N	A	T	U	R	A	23 L
C	■	H	■	O	■	O	■	F	■	I	■	S	■	A
24 T	H	I	R	T	Y	T	W	O	■	25 F	R	I	S	K
S	■	L	■	E	■	T	■	R	■	U	■	O	■	E
■	26 P	L	A	T	F	O	R	M	P	L	A	N	K	S

A Happy Ending

Nothing in the preceding narrative should be interpreted as suggesting that Tim Kraft and the other key Carter workers are not able campaigners. Rather, the element of high farce that surrounded the Carter campaign in the last week is symptomatic of an underlying reality of modern politics. In an organizational sense, there is very little that can be done in the last week of a campaign that will have much impact on the final outcome. The critical period for understanding the Carter victory in Pennsylvania was four or six weeks before the primary, when Tim Kraft was traveling around the state, little noticed by the press, establishing the nucleus of the Carter organization. That was the work that showed up in the Pennsylvania results on election day. But it left only trivia to deal with in the few days before the election.

This was a basic political truth that I should have remembered. Unless war is declared, little that can be initiated in the closing hours of a political campaign has much impact on the outcome. In retrospect, I salute the wisdom of my campaign manager when I was running for Congress who wanted to ship me out of state on the day before the primary because she feared that I would only get in the way of election day operations.

There is one moral to this story, however. Don't get any closer to your childhood passions than a television set or the lending library. For me, after spending a week with the Carter campaign in Pennsylvania, there is no more mystique about what goes on inside a presidential campaign headquarters. All that I am left with are the residues of my boyhood obsession with baseball. I can assure you that I will never set foot in a major league clubhouse. ■

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Tidbits and Outrages

The Last Thing I Remember Was His Whispering About His Little Dog Fala . . . .

Dorothy Schiff deserves a special Ritual of Wiggle award in what promises to become a major new category: confessions of political mistresses. In *The Washington Post*'s May 28, 1976 article about *Men, Money and Magic: The Story of Dorothy Schiff*, there was extensive speculation on whether or not Mrs. Schiff had engaged in sexual intimacy with Franklin D. Roosevelt. The article noted that "publishing industry sources" think key passages in Mrs. Schiff's book "may have been intentionally fuzzy because of Schiff's own doubts about the exactitude of the events recounted."

A Government of Flacks

The infiltration of government by Madison Avenue is suggested by statistics recently gathered by the General Accounting Office on the number of government employees involved in public affairs work, defined as providing press information and preparing advertising, exhibits, films, publications, and speeches for release to the public:

Public Affairs Employees

Agency	Employees	Cost
Defense	1,486	$24,508,000
HEW	338	21,000,000
Agriculture	650	11,467,300
Treasury	202	5,798,235
Congress	446	5,663,174
Commerce	164	5,683,609
Energy Research and Dev't Admin.	128	5,236,800
NASA	208	4,500,000
Transportation	117	2,913,509
HUD	69	2,455,000
White House	85	2,300,000
Veterans Admin.	47	1,313,300
Totals	3,990	$92,838,927

Let Them Eat Stoves

If you're a general you're entitled to eat lunch at the Pentagon's Army General Officers Mess. If you're not a general, you have the consolation of knowing that your taxes are subsidizing each and every lunch served, to the tune of $12.03. When this practice was exposed in 1974, the Pentagon announced a reform: "Meal prices must be sufficient to cover operating expenses and food costs." But Rep. Les Aspin, the leading congressional critic of waste in the Department of Defense, found that a few months later the Pentagon had redefined expenses to exclude such items as stoves, utilities, and the salaries of waiters and cooks.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"If I Ever Lie to You. . . ."

The headlines in *The Washington Post* and *The Washington Star* read "Carter Praises U. S. Workers" and "Public Servants Get Carter Smile." An odd refrain for the Carter campaign, until the reader learned that Carter had been campaigning for the votes of government workers in the Maryland suburbs of Washington, where he was quoted as saying, "I'm not anti-Washington. I've never made an anti-Washington statement."

Traveling Trucker and His Royal Retinue

The Professional Drivers Council, a dissident group of Teamsters, recently released a lengthy report on abuses in the Teamsters Union. William Presser, who heads Joint Council 41 in Cleveland, is given these travel privileges in the organization's by-laws:

". . . the president, for the purpose of promoting the general interests and welfare of Joint Council 41, both within the labor sector and in other sectors of our society, and for the purpose of preserving and refreshing his health and general well being, may at his discretion, travel in this country or with the approval of the Joint Council Executive Board, travel abroad and may take periodic rests. The Joint Council. . . shall provide for all expenses and allowances of the president when performing the services mentioned in this section, or when taking periodic rests; the said expenses and allowances shall include travel and full and complete maintenance of his wife so that she can accompany the president, and all secretarial help, assistants and/or aides and services which he deems necessary while so engaged. . . ."

My Fellow Armenians . . .

Judith Martin's account in *The Washington Post* of the welcoming ceremony for Spanish King Juan Carlos at the White House:

"President Ford emphasized the historical contributions of Spain to the United States, correcting himself quickly when he referred to the country as 'Stain' and when he slipped and said that America had been discovered in 1942."

A Bureaucratic Truth

The recent death of Ellis O. Briggs, the retired diplomat, reminded us of the great bureaucratic truth he discovered during his tenure as ambassador to Czechoslovakia. The Czechs became angry at us for one thing or another and ordered two thirds of the U.S. embassy staff sent home. Briggs found that the stripped-down embassy was the most efficient he ever had.

Bob Strauss' Favorite Candidate

Democrats gathered in New York to decide the future of the party ought to weigh the following item from Betty Beale's February 19, 1976 column in *The Washington Star*:

"National Democratic Chairman Bob Strauss was asked what the situation today would be if John Connally had not switched to the Republican party. He replied right off, 'He'd be our nominee.' "

Practical Physician

Dr. Neil Solomon is paid $42,300 to direct the Maryland Health Department. He usually arrives in the office between 2:30 and 3:30 p.m. and leaves before 6:00. Four days a week that is. But it's a wonder he gets there at all. He not only maintains a private medical practice but also writes a six-day-a-week newspaper column of medical advice plus a 500-word Sunday essay for the Los Angeles Times syndicate. "I know I will be criticized by those who are jealous of my success," he told the Baltimore *Sun*. "All I can say is that I'm sorry. I wish them success too."

Noble Pennsylvania

A couple of years ago we commented on the insatiable reformist zeal of the Pennsylvania State Senate, which had just refused to confirm the reappointment of Herbert Denenberg, nationally acclaimed as one of the country's truly outstanding consumer advocates, as the state's commissioner of insurance. Last December, they did it again, this time in refusing to confirm the reappointment of James McHale as the state's secretary of agriculture. McHale, as readers may recall, made our State Government All-Star Team last year for his championing of the cause of the small farmer, the rural poor, and consumers.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Making Enemies: The Pike Committee's Struggle to Get the Facts

by Gregory G. Rushford

Woodrow Wilson observed that "Congress stands almost helplessly outside of the departments. Even the special, irksome, ungracious investigations which it from time to time institutes... do not afford it more than a glimpse of the inside of a small province of federal administration.... It can violently disturb, but it cannot often fathom, the waters of the sea in which the bigger fish of the civil service swim and feed. Its dragnet stirs without cleansing the bottom."

This elegant statement summarizes what I learned during the irksome, ungracious, congressional investigation of the CIA.

As a staff member of the House Select Committee on Intelligence, I was charged with investigating how well the intelligence agencies had been doing their job. It was a simple and reasonable question, but in trying to get an answer, I encountered the bureaucratic obstacles that hide the truth about government performance.

Gregory G. Rushford was on the staff of the House Select Committee on Intelligence.

The story of those obstacles, and our attempts to surmount them, sheds light on the present balance of power between the executive and legislative branches. Despite recent press stories that Congress is reasserting itself, the CIA—exceptional in many ways but in this one quite typical—used every executive branch tactic to frustrate our investigation.

The CIA's idea of a perfect investigation was roughly as follows: The committee's staff members would be investigated by the FBI, and if we passed, we would receive Top Secret security clearances. We would sign CIA employee secrecy oaths and would be denied access to the compartments of information beyond Top Secret—that is, to most of the files. CIA censors would read every document we requested. Those censors would have authority to delete words, paragraphs, even entire pages. If we

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

took notes from documents at agency headquarters, the notes would be censored. Monitors would be present every time we interviewed agency employees.

Moreover, the committee would sign agreements limiting the areas of investigation and agree to disclosure restrictions. The chairman of our committee, so the CIA intended, would keep much of his information from other committee members. The committee, in turn, would keep information from the rest of Congress.

Whenever I requested documents from the CIA (or the State Department, or the Pentagon, or whatever agency we were studying) the liaison officer would ask why I needed them. Did I realize how sensitive they were? Wasn't I worried about showing such secrets to congressmen?

We started off with a series of hearings on the intelligence budget. Senior officials came from all over the intelligence community to brief us. But the briefings were canned affairs in which the officials took hours to read from tables and charts and to initiate us into the nuances of bureaucratese. We saw the same budget books they present to the appropriations committees and learned how vague they were. After repeated telephone calls, we managed to get a few documents delivered right to our offices, but when we looked at them, we found entire pages missing—only the "Top Secret" stamp remained. Staff investigators who asked for further details could not get them. With only a week left before the scheduled opening of our hearings, Rep. Otis Pike had to call the Pentagon and threaten to hold a press conference before we received *any* information from them. The National Security Agency (which monitors foreign communications) would not give us even the basic document which controls its operations.

Despite all this, we had, by July 31, assembled at least as much information as the standing appropriations

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

William Colby and Otis Pike

committees traditionally have, a reflection less of our diligence than of the other committees' timidity. During the next eight days we held our first seven hearings.

Deaf and Dumb

The Comptroller General of the United States, Elmer Staats, was the first witness. He testified that he knew very little about where the intelligence agencies put their money because he had to depend on them for all the information about their programs. The General Accounting Office, which Staats directs, had written to the CIA in January 1975, for instance, but never received a reply. Even when the CIA came up with the information Staats wanted, he had no way to verify it independently.

Next came James Lynn, director of the Office of Management and Budget. Lynn repeatedly refused to discuss anything of substance as long as the committee sat in open session. If we would only lock the doors and go into closed session, Lynn said, he was ready to answer all questions. The committee closed the doors.

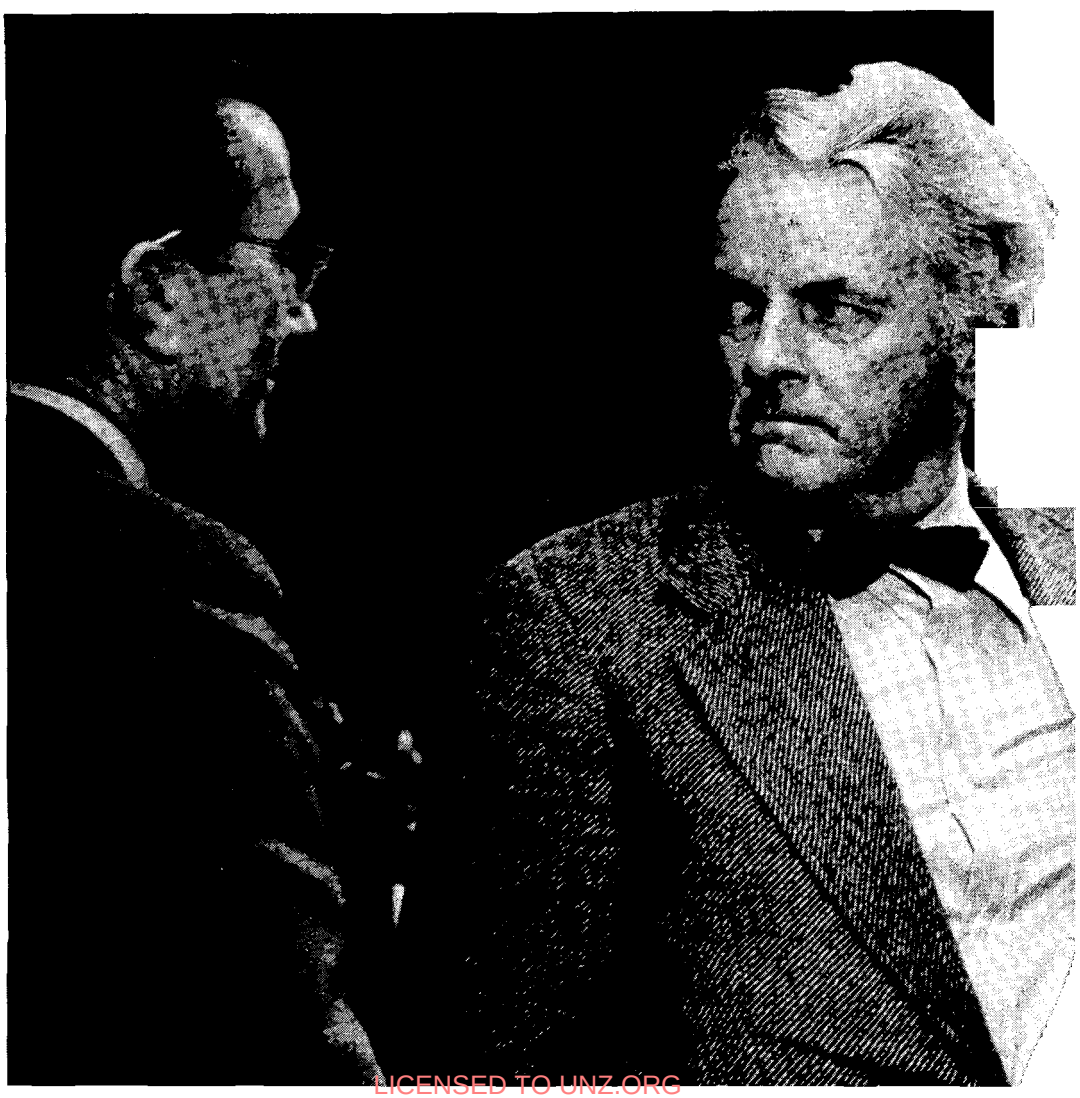
After waiting for nearly a half hour, while experts "debugged" the hearing room, we discovered another problem. Lynn said he would not discuss certain subjects because the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

stenographer was cleared only for Top Secret. When the committee finally got to question Lynn, he was not much more specific than he had been in the public session. Pike later called the experience "miserable and worthless." Lynn certainly could not demonstrate that his organization had any sort of grasp on the CIA's budget.

The Lynn experience was repeated time and again that week with other witnesses. In public, we were promised full cooperation; in private we did not get it. William Colby, then the director of the CIA, gave us little lectures on the evils of communism, illustrated with a "Freedom of Information" chart. "We live in a free society," he said, pointing to a series of X's on the American side of the chart. The X's marked off such institutions as newspapers, television, government publications, and, naturally, congressional hearings. That was how the Russians gathered intelligence on us. But on the Russian side—aha!—the X's were controlled. Such gimmickry prompted Rep. Philip Hayes to tell Colby he was tired of hearing "appeals to a very low level of political sophistication."

The testimony of Colby and Gen. Lew Allen of the National Security Agency illustrated one other way the intelligence agencies have traditionally thwarted congressional oversight. Over the years both the CIA and the NSA have answered hundreds of questions



Photos by Diana H. Walker

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from congressional committees by providing *summaries* of internal documents, almost always self-serving, and not the documents themselves. What is the difference? Colby had said, in one of our closed sessions, that "certain differences had arisen between a certain ambassador and the CIA personnel" over the wisdom of one covert operation. We finally got hold of the original document, which put the matter in somewhat different terms. The ambassador had actually said to the CIA station chief, "To hell with your headquarters. If you don't go along with this, I will instruct the Marine guards to take you and place you on the airplane and ship you out of here."

In August, we questioned the Pentagon's top civilian intelligence official, Albert Hall. He explained, helpfully, that his organization worked very well. When asked if the system had broken down at any time in recent crises, Hall responded, "Well, if you are talking about the 1973 Middle East war, in fact, the outbreak of war was foreseen, and this information was handled correctly and was provided to the people who should have had it." Here too the documents told a different story. Weeks later we received the basic CIA post-mortem on that war, which began: "There *was* an intelligence failure in the weeks preceding the outbreak of war in the Middle East on October 6. Those elements of the intelligence community responsible for the production of finished intelligence did not perceive the growing possibility of an Arab attack and thus did not warn of its imminence."

Hall also demonstrated some of the more incongruous aspects of the classification system. Published information put out by the Defense Department revealed that military attaches were stationed in 86 different countries, including two recent additions, Algeria and Bangladesh. But the Defense Department said that the numbers and locations of the attaches were classified as "secret." Hall, looking embarrassed, could not explain the disparity. Rep. Aspin termed such practices "bizarre" and pointed out the weaknesses of a classification system which permitted executive branch officials to decide, apparently on whim, what to keep secret. Repeated experiences with this sort of capriciousness fostered the committee's subsequent decisions to publish information despite the executive branch's unwillingness to do so.

Family Jewels

Many frustrations lingered after the August hearings were over. On June 10, before the hearings had begun, President Ford said publicly that he would give the committee material from the Rockefeller Commission's investigation of intelligence abuses, "plus any other material that is available in the executive branch." Yet we did not receive an uncensored version of the "family jewels," the in-house CIA study of abuses, until mid-October, 15 minutes before Pike held a press conference to charge that there had been a coverup and more than four months after Ford had promised to supply the material.

On September 11, the committee held a hearing on one of the most widely suspected instances of incompetent intelligence—that associated with the 1973 Middle East war. We knew of several instances in the past when the intelligence system had failed—the 1968 Tet offensive, the Soviet invasion of Czechoslovakia in 1968, the 1974 coups in Portugal and Cyprus, and India's nuclear explosion in 1974. The Mideast hearing was designed to explore why the intelligence agencies had failed at the job they were supposed to carry out—namely, to provide accurate information on international developments.

Just one day after we held that hearing, President Ford announced that we would be denied any further classified information. He asked us to return our files and later compared us

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to common criminals. What the committee had done the previous afternoon was to vote in closed session to publish a portion of an official CIA post-mortem of the Mideast failure.

Under the resolution which set up the committee, we were supposedly authorized to disclose information which related to the intelligence agencies' activities. In public session the CIA had read us two of the seven paragraphs of the post-mortem, both moderately favorable to the agency. But it had refused to declassify the other five. That afternoon the committee spent hours on those five paragraphs and realized the CIA had no reasonable grounds for keeping them secret. They did not reveal any intelligence sources and methods—the two items the CIA might legitimately want to protect—but they did demonstrate just how badly U.S. intelligence had performed prior to the Middle East war. There was no "national security" at stake, only bureaucratic self-protection.

For example, the CIA wanted to suppress one sentence which revealed only a misjudgment: "The movement of Syrian troops and Egyptian military readiness are considered to be coincidental and not designed to lead to major hostilities." Another paragraph the CIA wanted to censor noted that a "Watch Committee," which was supposed to judge the imminence of hostilities, failed to do so even after the war had begun.

So the committee decided to publish. The CIA's reaction was predictable; among other things, it called a press conference and told reporters that the release of four words ("and greater communications security") endangered national security.

President Ford finally agreed to deliver more classified information, promising we would get everything we needed—but only after a full month of negotiation and on the condition that he could veto any material the committee chose to publish.

But we still faced repeated delays. On October 20, for example, Pike wrote to the President, asking permission for me to visit the National Security Council. There I was to obtain a list of all CIA covert operations authorized by the top-level "40 Committee" since 1965 and to find out the committee's procedures for approving the operations. We needed this information in order to confirm or refute other indications that the procedures had often been haphazard. After repeated calls I did get the list. On it I found each CIA operation described as follows: "On [date given] the 40 Committee approved a covert operation in ————." Or, "A media project was authorized for ————." Not one actual operation was disclosed.

CIA Monitors

In one way, however, even this document contained a major revelation. Beside each blank from May 1972 until the end of 1974, the word "telephonic" appeared. I asked Gen. Brent Scowcroft, Ford's National Security advisor, what that meant. He said that the approval had been given over the telephone, without formal meeting. In other words, the 40 Committee, the most sensitive committee in government, had not met in more than two years. Nearly 40 CIA operations had been approved without the opportunity for debate, or a consideration of risks and alternatives by anyone outside the CIA. (We held a public hearing on that point the following week. Since then, President Ford has taken steps to insure that meetings are held and accurate records maintained.)

As the investigation progressed, the CIA dropped even the pretense of cooperation. All of the intelligence agencies went to great lengths to keep us from informal contact or interviews with their employees. They were also adamant about having monitors present. A monitor came along from the National Security Agency when I interviewed an NSA Middle East analyst. The poor monitor panicked when

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

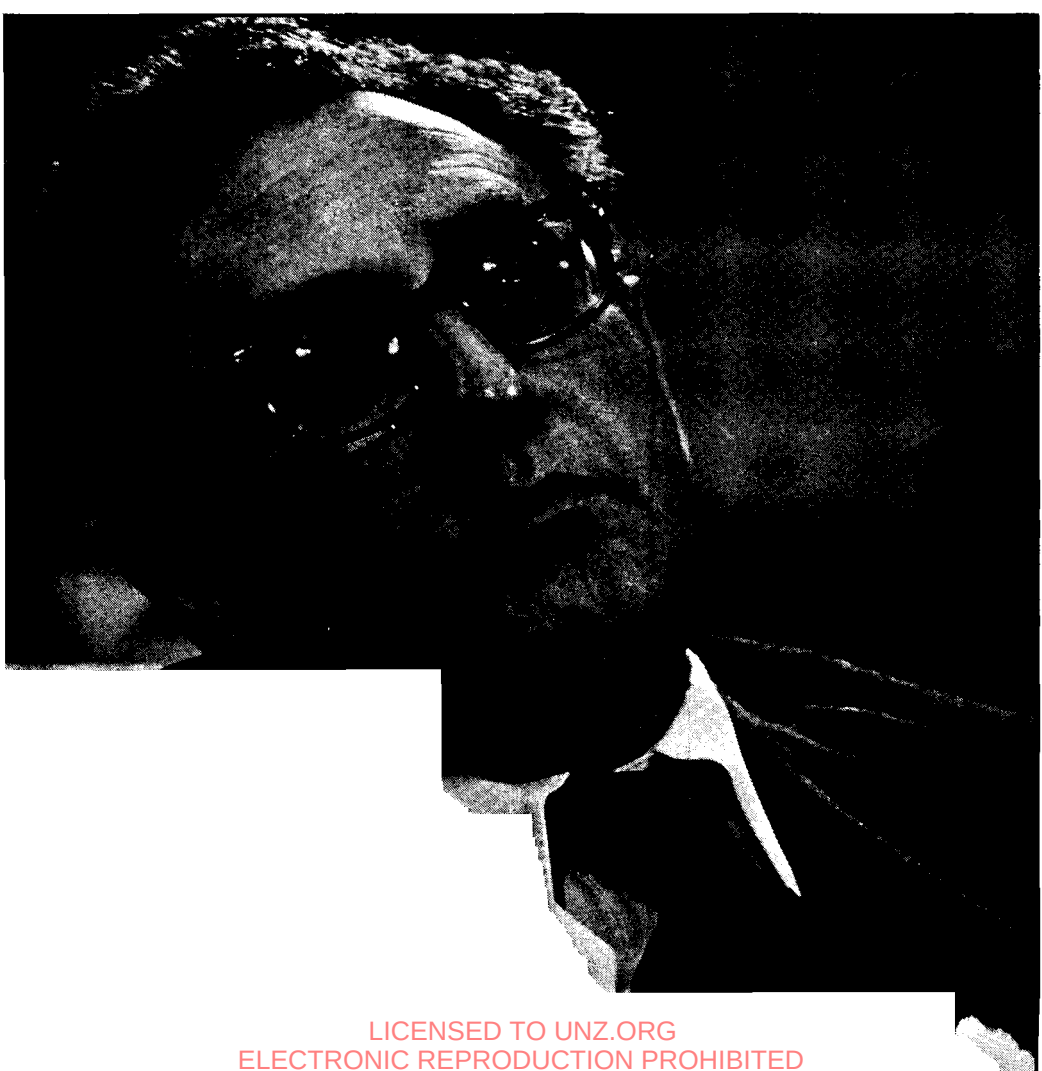
I left him behind in the front office. After a quick phone call to NSA headquarters, he broke past our Capitol Hill police guard and ran through the committee room yelling that the witness should not say anything to "those people." Genuinely afraid that the scene would lead to violence, committee staff director Searle Field agreed that the monitor could sit in on just this one interview.

Kissinger Balks

The NSA had reason for its fears. The analyst I interviewed was one who had accurately forecast war in the Middle East before it broke out on October 6, 1973. The NSA leadership had discounted her courageous predictions. Truly excellent technical intelligence had gone unheeded.

Henry Kissinger, of course, threw up the most obstacles. We had to request information from him; he chaired three crucial panels—the 40 Committee, the NSC's Intelligence Committee, and the Verification Panel, which handled intelligence related to the Strategic Arms Limitations Talks (SALT).

But Kissinger refused to give up a single piece of paper without a fight. He termed one of our subpoenas merely a "request" and refused to honor it. It took a contempt of Congress resolution approved by the committee to get him to honor several



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

subpoenas. He silenced witnesses and at one point issued instructions that nobody in the State Department was to talk to anyone from the Pike Committee unless an official State Department monitor was present.

We wanted, for example, to ask one of Kissinger's subordinates to explain a mysterious contradiction in our policy toward Greece. We had heard that, when tensions were rising on Cyprus, the State Department had warned that Greek dictator Dimitrios Ioannidis was moving to overthrow Archbishop Makarios. But the CIA, at just that time, was conducting diplomatic talks with Ioannidis in Athens. We learned that Thomas Boyatt, a foreign service officer, might be able to explain what the CIA station had been up to. But Kissinger refused to let us talk to Boyatt without a State Department monitor present, and the monitor forbade the man to tell us even the most basic details. Later I interviewed another foreign service officer on the same subject, with the same result. We called one of Kissinger's deputies to ask for cooperation. He asked us to put the FSO on the phone and then told him again *not* to give us any help.

The committee was getting angry about treatment like this, especially because we had received almost no documents on the Cyprus affair. So

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the committee voted to subpoena a memo which Boyatt had written to Kissinger after the Cyprus affair. Once more we found ourselves in trouble.

Among the other accusations that rained down upon us was a comparison to Joe McCarthy. The State Department said we were "interfering" with advice given on policy by a subordinate. But Boyatt, the subordinate in question, had said that he was willing to give us the information. Under existing law, there was no way the State Department could prevent its employees from giving information to Congress.

The State Department's claim that it was protecting Boyatt from "interference" like ours was somewhat disingenous. Boyatt had been denied normal reassignment by two ambassadors and one assistant secretary, both for his Cyprus dissent and for his activities on behalf of the Foreign Service Association, which lobbies for employee rights. We eventually pressured the State Department to reassign him.

A human victory, only we never learned what the intelligence network had told Henry Kissinger before the Cyprus coup, nor did we receive all the documents we sought.

Bureaucratic Lessons

Despite all these obstacles, by December we had acquired a great deal of information the CIA did not want us to have, thereby meeting one of the tests of a good investigation. We had data about the intelligence budget which Congress had never obtained before. We had learned about every CIA operation the National Security Council had approved since 1965. We also had original documents on an especially vital issue—Soviet compliance with SALT agreements—thanks to committee votes to cite Henry Kissinger for contempt of Congress when he first refused to honor our subpoenas.

These were our successes. To a large extent they were achieved because of our reaction to the dismal failure of those first eight days of hearings, when the administration officials just refused to cooperate. This inspired us to grit our teeth. Pike and Field set a basic rule for the investigators: be so aggressive you get complained about. There were complaints every week. When the CIA tried to distract us with proposals that we investigate sexy trivia, such as a minor official's indiscretions with shellfish toxins and other poisons, we refused.

We learned one of the timeless lessons of bureaucratic life—that it is necessary to talk to people at the "working levels" of the bureaucracy and not just the leadership. Leaders of huge agencies, responsible for any mismanagement, will always resist giving evidence of their own corruption or incompetence. One senior official close to the CIA's hierarchy told me privately that he considered the CIA's analytic system "rotten," and that Colby's management was ruining the agency. "But why should I risk all and tell these things to the Pike Committee?" he asked. "Where were those congressmen when the CIA was not on the front pages, and where will they be when the Pike Committee's jurisdiction expires?" It was an argument I heard often and could not really refute.

It was different one step down. The majority of mid-level officials, contrary to the conventional wisdom, are competent and hard working. Above all, they are concerned with poor *management* and will talk about it to anyone who seems interested in improving their condition. And even when these officials don't give you any valuable information, the simple knowledge that you've talked with them makes their superiors more candid.

These interviews helped us pick out some of the weak points in the intelligence bureaucracy. Pentagon analysts would tell us what they thought of their counterparts in the CIA. Asking one agency about another, or one office in the same agency about

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

another, is a simple but effective device. Everyone wants to tell his side of the story, and the rivalries among the intelligence agencies are as fierce as those anywhere in government.

From analysts in the Defense Intelligence Agency, CIA, and State Department, I learned that the intelligence studies made on the Soviet Backfire bomber might have been dishonest. The most important question was whether the Backfire could (or would) be deployed against targets in the United States. Answering this question correctly obviously *was* important for SALT.

The accusations about the Backfire ranged all through the intelligence community. The Air Force was alleged to have put pressure on a defense contractor, simply because the Air Force disagreed with a study the contractor had done for the CIA. One office of the CIA accused another of deliberately hiring a consultant who was known as a "downgrader" of Soviet aircraft in order to influence the Backfire study results. Another CIA office was accused of misrepresenting the plane's performance characteristics, because that office had its own policy line to peddle to our negotiators.

The CIA takes great pride in its intellectual integrity, so these accusations could hurt. The SALT negotiations were under way even as we carried out our investigation, and Pike did not want to risk complicating them by having a public hearing on the Backfire. But the CIA did not know that. I was able to imply several times, when dealing with the CIA censor, that this issue could be very, very unpleasant if it were publicized. When I got far enough into the story to present a threat, the CIA censor decided to call. The agency had found some documents I might want to look at, he said. Those documents—which were "secret," but which served the agency's ends—revealed, among many other things, that the director of the DIA and a high CIA official once thought that Henry Kissinger might be suppressing vital information about SALT. Upset, they had gone to the acting CIA director, Vernon Walters, and asked him to approach President Nixon about the problem. Those documents, which told us a great deal about the bureaucratic politics of SALT, were essentially a damage-limitation exercise by the CIA, which was concerned about its own reputation. Otherwise, we would never have obtained them.

A Sorry Picture

The intelligence administrators had shown us neat organization charts outlining their functions. What we actually found, however, was a very poorly administered intelligence system. The NSC's Intelligence Committee, for example, which looked impressive on the charts, had had only two meetings—one of them to organize itself.

Perhaps our more important finding was that Congress cannot oversee the intelligence agencies without making a determined effort to separate the truth from lies. Other less aggressive committees had been over the same ground before. The House Armed Services Intelligence subcommittee, for example, had been told about the official CIA post-mortem study of the intelligence failure before the Middle East war. But that subcommittee never saw the actual document; its briefing consisted of reading selected material from the study displayed on a slide projector. And it was not told there was a second Middle East post-mortem, which documented a shocking intelligence performance at the time of the U.S.-Soviet confrontation in late October 1973. Nor did the subcommittee know the official post-mortem covered up key weaknesses in the intelligence bureaucracy. Other official briefings I saw, including those related to nuclear arms matters, were always vague, always incomplete.

We also found evidence that the true intelligence budget is several times larger than that which the Con-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gress annually approves. The six foreign episodes we selected for closer study revealed mismanaged intelligence on a large scale. The CIA could offer *no* major analytical success. "Current intelligence" reports suffered because the leadership kept the analysts busy with meetings, phony deadlines, and "coordinating" policy differences between offices. There was precious little time left to think and write. The CIA's longer-term intelligence estimates were also weak, and the bureacratic structure promised little improvement. We found an alarming number of cases in which crucial information had been collected in time, but had not been disseminated until after the war had begun—just like the classic Pearl Harbor failure. We found that Henry Kissinger kept valuable information away from the CIA. We had only to go beyond the official explanations to realize that reform of the analytical side of U. S. intelligence is long overdue and sorely needed.

We also found pressures which distorted honest intelligence during the entire Vietnam war. The pressures came from the military, the State Department, and the White House, and had one purpose: to force the CIA to report "facts" about Vietnam which would support the war policy, regardless of truth. Many officials who resisted such pressures found their careers finished; those who kept quiet were promoted.

Fight Like Hell

But it was the question of how well we monitor Soviet adherence to the SALT agreements which I found most troublesome. It showed how dangerous bureaucratic rivalry can become for the whole country when the bureaucrats operate in secret.

On October 17, 1972, when the agencies established a steering mechanism to monitor Soviet SALT compliance with the agreements signed the previous May, a colonel on Kissinger's NSC staff called the CIA's Director of Strategic Research to say: "Dr. Kissinger wanted to avoid any written judgments to the effect that the Soviets have violated any of the SALT agreements. If the Director believes that the Soviets may be in violation, this should be the subject of a memorandum from him to Dr. Kissinger. The judgment that a violation is considered to have occurred is one that will be made at the highest level."

What this meant, in effect, was that the intelligence service had been deprived of its basic rationale. Henry Kissinger, the official most responsible for making SALT policy, also controlled information about how well the policy was working—an affront not only to the purpose of the CIA but to every prudent notion about avoiding administrative disasters.

To be sure, Kissinger had his problem with some elements of the intelligence community who were leaking to the press inaccurate information about Soviet violations, but the way to handle that problem was with a rifle aimed at the sinners not a shotgun blasting away at the entire area of factual reporting of SALT violations.

Even more disturbing than what Kissinger was doing was his passion for concealing it from Congress. And even more disturbing than that is the fact that Kissinger and the intelligence chiefs are typical of the executive branch leadership in their determination to protect Congress from knowledge of their affairs; in their tendency to ignore the fact that, after all, the executive and legislative branches work for the same employer.

I am convinced that Wilson was wrong in thinking Congress cannot overcome this tendency. Congressional committees *can* probe the depths of the federal bureaucracy, and provide the information that we all need to know. But pending the day when irrational adversary attitudes between the branches are replaced by a cooperative spirit of service, they had better be prepared to fight like hell. ■

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Memo of the Month

DIRECTOR

U.S. CIVIL SERVICE COMMISSION
OFFICE OF LABOR-MANAGEMENT RELATIONS
WASHINGTON, D.C. 20415

March 29, 1976

Mr. Seymour Berlin
American Society for Public
Administration
1225 Connecticut Avenue, NW
Washington, DC 20036

Dear ~~Mr. Berlin~~ Seymour:

It has become evident over the last few years that a number of organizations hold conferences in Washington dealing with Federal employee labor relations. Sometimes these conferences deal only with that subject matter, at other times it is a part of a more comprehensive conference.

In a period of tight budget and staffing there is some concern about too many conferences covering essentially the same material in the same geographic area.

Accordingly, with the concurrence of Federal agency labor relations officers, I am taking the liberty of scheduling a conference among the leaders of those organizations involved in most of these conferences to discuss this problem and to seek possible solutions. For example, the group might wish to establish a coordinating council to consider joint conferences, consider geographic dispersion, to consider frequency of conferences and to consider subject matter.

The meeting is scheduled in Room 5323 at the U.S. Civil Service Commission at 10:00 a.m. on Friday, April 23, 1976.

I hope you will be able to attend or to send a representative to this meeting.

Sincerely,

Louis Aronin
Deputy Director

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Myth of Corporate Democracy

by Ralph Nader, Mark Green and Joel Seligman

It makes terrific sense on paper. The shareholders (electorate) choose directors (legislature) who in turn select the managers (executive branch) to administer the enterprise day to day. In theory, at least, corporations seem very much like "the little republics" 19th-century legislators imagined them to be.

That corporate democracy has been an illusion for nearly 100 years has not deterred businessmen and the New York Stock Exchange from annually proclaiming its viability. But the recent rash of corporate crime—over 100 companies have so far acknowledged illegal payoffs at home or abroad—raises important questions about who governs the largest corporations. Why has corporate law failed to keep corporations law-abiding? What is the scope of management power and what are the checks upon it?

In nearly every large American business corporation, one man—variously titled the President, or the Chairman of the Board, or the Chief Executive Officer—or a small coterie of men have unquestioned operational control. In theory, this small group of managers is selected by the board of directors to run the corporation; in reality it is just the reverse. The chief executive or executive clique chooses the board, and, with its acquiescence, controls the corporation.

The legal basis for such a consolidation of power is the proxy election. Every year, the shareholders of each publicly held corporation are invited to attend a meeting where directors will be nominated and elected.

In political elections we can go a few steps down the street to vote. In corporate elections we have to go to someplace like Wilmington, Delaware. The result is that few stockholders attend these meetings. Sylvia Silver, a Reuters correspondent who covers over 100 Wilmington annual meetings each year, described representative 1974 meetings: "At Cities Service Company, the 77th largest industrial corporation with some 135,000 shareholders, 25 shareholders actually at-

The co-authors are members of the Corporate Accountability Research Group in Washington. Their book, Taming the Giant Corporation, *will be published by W.W. Norton in September.* *©1976 Ralph Nader.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tended the meeting; El Paso Natural Gas, with 125,000 shareholders, had 50 shareholders; at Bristol Meyers, with 60,000 shareholders, 25 shareholders appeared. Even 'Campaign GM,' the most publicized shareholder challenge of the past two decades, attracted no more than 3,000 of General Motors' 1,400,000 shareholders, or roughly two tenths of one per cent."

Since almost no one goes, the stockholders are represented only by their mailed-in proxy votes. And company insiders have so totally dominated the proxy machinery that corporate elections have come to resemble the Soviet Union's "Communist ballot," on which only one slate of candidates appears. Of the 6,744 corporations required to file data with the Securities and Exchange Commission in 1973, incumbent management retained control in at least 6,734 companies, or 99.9 per cent. In the 500 largest industrial corporations—corporations which account for some 66 per cent of the sales of all industrial corporations in the United States—no incumbent management was even challenged in 1973.

The key to what British law Professor L. C. B. Gower calls "this solemn farce" is money—specifically, the cost of mounting a proxy challenge. Under current corporate law, the only real chance to nominate directors belongs to the incumbent management. With practically unlimited power to use corporate funds in the elections, the management simply overpowers opponents, who must prepare separate proxies and campaign literature at their own expense.

Consider, for example, the techniques of the Northern States Power Co. in 1973. At that time Northern States Power voluntarily employed the "cumulative" voting system, which meant that only 7.2 per cent of outstanding shares was necessary to elect one director to Northern's 14-person board. Troubled by Northern's record on environmental and consumer issues, a broadly based coalition of public interest groups called the Citizens' Advocate for Public Utility Responsibility nominated Alpha Snaby, a former Minnesota state legislator, for a seat on the board. These

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

groups then successfully solicited the votes of over 14 per cent of all shareholders, or more than twice the votes necessary to elect her to the board. Northern States then, in effect, bought the election back. By soliciting proxies a second and then a third time, the Power Company was able to persuade (or confuse) those who cast 71 per cent of Ms. Snaby's votes to change their minds.

Emphasizing the Positive

Larger, more experienced corporations are usually less heavy-handed. Typically, they will soften up the opposition with a series of "build-up" letters. In the 1971 'Campaign GM' contest, General Motors raised this strategy to a new plateau by encasing the Project on Corporate Responsibility's single 100-word proxy solicitation within a 21-page booklet specifically rebutting each of the Proiect's charges. The Project, of course, could never afford to respond to GM's pamphlet—postage alone for soliciting GM's 1.4 million shareholders would have exceeded $100,000. The cost of printing a document comparable to GM's 21-page booklet and mailing it out, accompanied by a proxy statement, a proxy card, and a stamped return envelope might have cost half a million dollars.

Nor is it likely that the Project or any other outside shareholder could have matched GM's ability to hire "professional" proxy solicitors, such as Georgeson and Company, which can deploy up to 100 solicitors throughout the country to contact shareholders personally, give them campaign speeches, and urge them to mail in their proxies.

Management's "army" in a proxy war also includes: attorneys, who can distract the opposition with costly litigation; accountants and statisticians, who will prepare the most self-serving financial analysis allowable; and public relations advisors, who will create advertisements for trade journals and the financial sections of major newspapers. Management can also exploit corporate personnel and resources on its own behalf. Clerical help and clerical facilities, including printing presses, photo-copying machines, and computer addressing machines, are invariably called into action.

Management's grip on company power is tightened by its authority to print and distribute annual, quarterly, and other reports to shareholders. Besides the formal proxy statement, these reports usually embody the only detailed information shareholders receive about their corporation. The reports, however, "may be in any form deemed suitable by the management" and are not subject to the same standards of truthfulness that the text of a proxy solicitation is subjected to. Consequently, though every word of an insurgent shareholder's communications with other shareholders may be challenged if it is arguably "false or misleading," most management reports are subject to no textual regulation whatever.

Unfortunately, management reports are frequently "false and misleading." They are often written in an upbeat public relations jargon which emphasizes "positive" aspects of the past business year while rationalizing or ignoring management mistakes, financial losses, corporate or executive criminal violations, or civil actions successfully prosecuted against the corporation. For example, although subsequent congressional testimony made clear that Lockheed would have gone bankrupt unless it received an emergency loan guarantee from the federal government, Lockheed's 1969 annual report managed to ignore the prominent debate in Congress over whether the federal government should "bail out" the firm. And just a few months before the comptroller declared the Franklin National Bank insolvent, the corporation's management reported to its shareholders that "in 1973 Franklin crossed an important threshold so that it is now in a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

position to move forward in establishing itself as a major worldwide financial institution and a leading money center banking operation." Nowhere in the report was any mention made of the foreign currency speculation or improvident real estate loans which four months later caused the bank's demise.

The aggregate costs to management of all these approaches to stockholders can easily exceed $1 million. In the past 25 years there have been no more than a dozen cases in which insurgents have been able to match management expenses in a major proxy fight. During the past decade, only in the MGM proxy contest of 1967 were the insurgents able to match management's expenses in a costly struggle for control.

State corporation law has done nothing to offset this imbalance of corporate resources. No decision since 1907 in either Delaware or New York, the two leading chartering states, has denied management the power to expend corporate funds or use corporate personnel exactly as management chooses. Even such seemingly "unreasonable" expenditures as public relations counsel, "entertainments," chartered airlines, limousines, and the indirect cost to the corporation of using officers and employees on behalf of an incumbent director slate, have survived judicial scrutiny. By contrast, state courts have firmly established the rule that insurgents, unlike management, are not entitled to reimbursement of any campaign expenses as a matter of right.

If this is the way it is chosen, it is no surprise that the board of directors has ceased to perform its statutory function of "managing the business and affairs of every corporation." Indeed, it is often hard to tell whether the boards of many corporations perform any independent function at all—other than mirroring managers' desires. "Directors," William O. Douglas complained as early as 1934, "do not direct."

In a 1975 survey of 394 of the

David Suter

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

country's largest corporations, Korn/Ferry International (a New York executive recruitment firm) found that boards averaged only seven meetings per year. In most large corporations, the board meetings have withered, through neglect, into a ritualized one- to three-hour ceremony. Much of that time is consumed by a pro forma review of operations by the president or vice presidents and equally routine approvals of the capital appropriations that management wants.

The meetings are so infrequent, the inquiry so tame, that the boards cannot hope to "manage" their corporation. Professor Myles Mace of the Harvard Business School, in *Directors: Myth and Reality*, has summarized hundreds of interviews with corporate officers and directors and concluded that boards perform none of their legally implied roles. Because the chief executive effectively selects the new members of a board, it does not establish the basic policies of a firm, does not select the president or other chief executive officers, and does not serve as disciplinarian of the corporation. "In the years that I've spent on various boards," says Robert Townsend, businessman and former chairman of Avis, "I've never heard a single suggestion from a director [made as a director at a board meeting] that produced any result at all."

Directors do not even ask rough or knowing questions. "In many corporations," Professor Melvin Eisenberg found, "the executives go so far as to wholly deny the board—supposedly entrusted with supreme power over the corporation—access to certain categories of information." Yet it is considered "discourteous," a breach of "corporate manners," for directors to "challenge" the president or other corporate officers. This can be a very expensive form of decorum, as the Penn Central's shareholders painfully discovered. At the time of its collapse in June 1970, Penn Central was the largest railroad in the country and the sixth largest industrial corporation overall. Within a two-year period, shareholders watched their shares plummet from 86½ to 2¾.

Inner-Directed

Why? "The board was definitely responsible for the trouble," says E. Clayton Gengras, one of the "outside" (non-management) members of the board. "They took their fees and they didn't do anything. Over a period of years, people just sat there. That poor man from the University of Pennsylvania [President Gaylord P. Harnwell], he never opened his mouth. They didn't know the factual picture and they didn't try to find out." As the Penn Central rushed towards its monumental crack-up, the board routinely approved every proposal forwarded by management. Although Penn Central was desperate for capital, the directors paid out nearly $100 million in dividends. The board never saw a capital expenditures budget. It never understood the inaccuracies published in Penn Central's annual reports. Just six hours before the corporation filed its bankruptcy petition, the board routinely approved new contracts for eight corporate executives, apparently unaware even then of the dimensions of the Penn Central's crisis. "All of this," concluded the House Banking and Currency Committee, "raises the serious question as to whether giant corporations affecting the everyday lives of our population . . . should continue to be governed in the traditional fashion or whether a new system of corporate directorships should be devised."

Exceptions to this pattern become news events. In reporting on General Motors' 1971 annual shareholders' meeting, *The Wall Street Journal* noted that, "The meeting's dramatic highlight was an impassioned and unprecedented speech by the Rev. Leon Sullivan, GM's recently appointed Negro director, supporting the Episcopal Church's efforts to get the company out of South Africa. It was the first time that a GM director had ever

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

spoken against management at an annual meeting."

How, then, can one reconcile the grand imperative, "The business and affairs of every corporation. . . shall be managed by. . . a board of directors," with the reality of this non-decision-making body? The fashionable response is that the board is a legal fiction. Management control has overwhelmed the rule of law.

This widely held view is only half right. Management has deposed the board of directors—but it has done so with the law's approval. No rule within modern corporation statutes prohibits management from nominating and serving as directors. And two provisions found in most state corporation laws further erode authority.

The first provision is exemplified by the corporation law in Delaware. The section provides that a director shall "be fully protected in relying in good faith upon. . . reports made to the corporation by any of its officers." The meaning of this provision is very simple. Directors have no "duty to know." Unless something occurs to make them suspicious that something is wrong, directors are not required to "put into effect a system of watchfulness." They need not anticipate problems or verify the accuracy of reports upon which they rely.

A second provision of the Delaware General Corporation Law accomplishes the same result by allowing the board to formally delegate responsibility for most corporate business to a committee dominated by inside directors. Our survey of the 200 largest industrial corporations indicates that the practice is very widespread. Of all the corporations which reported, two thirds had transferred directorial powers from the full board to an executive committee, at least half of whose members were insiders. (A smaller number of corporations accomplish a comparable result by delegating authority to an insider-dominated finance committee.)

Attorney John A. McMullen has described several examples:

"At IBM—four directors, all top-level officers of the corporation, control the all-important executive and finance committees; in addition, three of them are members of the powerful Corporate Office. At GM, four of five men, all inside directors of the company, dominate the executive and finance committees of the board as well as the administration committee comprised of key officers and directors. . . . du Pont's executive committee consists of the company's chairman of the board, president, and six senior vice presidents."

Yet, whether or not the board formally delegates authority to an executive committee, the managers who choose both board and committee *always* exercise control. Senior executives invariably call the shots, which is why corporate law today is a hopelessly inaccurate reflection of corporate realities. As Professor Bayless Manning, the former dean of Stanford Law School, put it, "We have nothing left but our great empty corporation statues—towering skyscrapers internally welded together and containing nothing but wind."

Self-Dealing

Autocratic corporate government is not a phenomenon of interest only to corporate law professors. It entails serious economic and social costs—in terms of self-dealing, inefficiency and illegality.

1) *Self-dealing*—Current Delaware law permits the chief executive of a corporation and other senior corporate executives to serve on the board of directors or compensation committee which:

a) sets executive salaries;

b) sells or purchases property from corporate executives;

c) loans money—on a secured or unsecured basis; with or without interest—to corporate executives; and

d) establishes pension plans, profit-sharing plans, stock bonuses, retirement, benefit, incentive, and compen-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sation plans.

Not only does the Delaware law permit such self-dealing, but it also renders shareholders virtually powerless to call a halt. Any contract or transaction between the corporation and an interested executive is permissible as long as it is "fair." But, in Delaware, "fairness" is presumed by the law. As Professor Ernest Folk, the leading commentator on Delaware's General Corporation Law, explains: "Given Delaware's presumption of sound business judgment with respect to board decisions, the courts will try to determine whether the decision can be attributed to any rational business purpose, and if so, there will be no judicial preemption of the decision."

There are few practical limits to this doctrine. For example, if a corporate chief executive were so graceless as to embezzle $500,000, even in Delaware he would probably be required to return the money and perhaps to go to jail. Yet if that same executive simply raised his salary by $500,000 and could point to similar salary increases in his industry, Delaware court would probably call this "fair."

Inefficiency & Illegality

With no law to hold it back, excessive remuneration has become the norm. In 1974 the executive compensation (salary, bonus, deferred income, and directors' fees) of the highest paid executives at the 50 largest industrial corporations averaged about $400,000. This is roughly as much in one year as many of their employees earn in a lifetime, and two-and-one-half times the equivalent executive pay rate in 1963.

Often these salaries don't go down even when sales or profits do. According to Professor Wilbur Lewellen of Purdue, the mean salary for the top executive at 50 large manufacturing corporations increased steadily during every year of the recent recession, from $251,867 in 1970 to $287,759 in 1971, $323,802 in 1972, and $389,277 in 1973.

But salary, bonus, and deferred income are only the most obvious benefits. Equally important is ownership income. Nearly every large industrial corporation offers its top executives stock options. These options allow executives to buy shares of stock in their corporation at a fixed price at any time or at specified times—often with the help of company-secured, low-interest or interest-free loans—and subsequently sell them at the most advantageous moment. From the shareholders' point of view, the result is a classic case of "heads we lose, tails you win." Over time, executives are able to build up a substantial fortune in corporate stock without personal risk. The more they do so the more the value of other stockholders' shares is diluted.

In 1974 (after eliminating from consideration the seven chief executives whose stock holdings were either largely inherited or largely "founder's shares") the 43 highest-paid chief executives at the 50 largest industrial firms owned an average of $1,566,009 of the corporation's stock.

Pension and retirement benefits have also swollen. We found in a survey that 21 chief executives of the 50 largest corporations (the rest did not report dollar figures) looked forward to retirement benefits of $133,910 each year. Of course, executives also reap a whole range of other perquisites: life and medical insurance, free medical service, educational grants for their children, indemnification insurance, country club memberships, free legal or tax counseling, expense accounts, and other amenities. When all the stock bonuses, insurance policies, and benefit programs are taken into account, the executives' incomes rise by 50 to 75 per cent above the nominal average level of $400,000, to an average of $600,000 to $700,000 each year.

High levels of pay are not limited to the chief executive. At General Electric, the chairman of the board, Reginald Jones, received direct remu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

neration of $501,200 in 1974. Walker Dance, Jack Parker, and Herman Weiss, the next three highest-paid executives, each received $400,000. The next 107 highest were paid an average of $121,240 in salary alone, with none of the extra benefits taken into account.

2) *Inefficiency*—Business defenders enjoy ridiculing a Post Office or Department of Health, Education and Welfare as examples of big government inefficiency. But recent history has demonstrated that corporate autocracy itself is inefficient.

As corporate operations have grown more complex and technologies more sophisticated, checks upon senior management have all but disappeared. The result has often been irrational decisions, hurried decisions, decisions based upon inadequate factual analysis or executive self-favoritism. Surveying a decade that had seen the wreck of the Penn Central, cost overrun catastrophes at both Lockheed and Douglas Aircraft, the slow, resistible decline of A&P, and a host of conglomerate stock collapses, J. Irwin Miller, president of Cummings Engine, concluded, "I think we've just gone through a decade of rather surprisingly bad decisions by businessmen worldwide. Some of them so bad that nobody would have guessed it."

3) *Illegality*—There is also, of course, the wave of corporate illegality which now fills our business pages and even front pages. The prominent exposure of these crimes makes it unnecessary for us to recite them in detail. But it is important to understand how the existing system of corporate governance tolerates or encourages corrupt decisions. As Roderick Hills, chairman of the Securities and Exchange Commission, said, "The problem as we see it is the breakdown of corporate accountability."

We have repeatedly mentioned Delaware corporate law for the same reason that law school corporations courses inevitably revolve around that self-proclaimed "little home of big business." Because that state's corporate statues, and its judicial interpretations of them, so favor management interests, one half of *Fortune's* top 500 industrials have chartered there. Worse, other states have followed Delaware's lead and weakened their corporate laws so as not to lose too much chartering business to this "corporate Reno."

Federal Chartering

In other areas—employment discrimination, unfair labor practices, pollution—Congress has understood how states would compete among themselves for plant sitings by offering high-pollution, low-wage environments. Hence, national minimum standards were essential. So too for the system of state chartering, especially since it's so much easier to move a piece of paper to Delaware than relocate a plant in Alabama.

Federal chartering is a vehicle to bring the kind of democracy and probity to corporate governance that has been so glaringly absent. Redesigning rights and obligations between shareholders, boards of directors, and executives can encourage giant companies to be both more efficient and law-abiding. To help accomplish this goal involves a full-time outside board of directors, selected by "cumulative voting" of beneficial owners in entirely company-funded elections. And the victims of corporate malfeasance—workers, consumers, local communities, shareholders, and small businessmen—should be accorded greater access to the court system to redress their complaints. These and other proposals are spelled out in detail in our report, *"Constitutionalizing" the Corporation: The Case for the Federal Chartering of Giant Corporations.* That study emphasizes that national standards for national corporations are essential to reverse the historic flow of power to an executive clique—and that corporate autocracy is not a necessary attribute of a productive economy. ■

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

political book notes

American Political Institutions in the 1970s: A Political Science Quarterly Reader. Columbia, $17.50/6.95.

The Collapse of Democracy. Robert Moss. Arlington House, $8.95. A gloomy text by *Foreign Policy* editor Robert Moss, who predicts totalitarian takeovers in Great Britain, the Continent, and, yes, even the United States, beginning only a year after Orwell's own vision. Successful communist infiltration, leftist manipulation, and subversive techniques in Chile, Portugal, and elsewhere are laboriously analyzed by Moss, who, we are told, "viewed radical activities first hand. . . across the globe" and so should know. His reason for the collapse of free societies? "The explanation must be sought in a creeping paralysis of will," he writes.

The Conscience of a Young Conservative. Donald Lambro. Arlington House, $6.95.

Crime and Punishment: A Radical Solution. Aryeh Neier. Stein and Day, $8.95. The executive director of the American Civil Liberties Union has written a book that is refreshing in its departure from the conventional formulas of the Left. Here's an example of his ability to free himself from the usual solutions and see some ways out that make practical sense:

"The failure of planned and organized rehabilitation doesn't mean prisons serve no purpose. Convicts are not all as saintly as Victor Hugo's Jean Valjean. Some of them deserve to be in prison, but for our good and not for their own good. It is folly to expect any significant numbers of prisoners to come out better or less dangerous than they went in.

"With this exception. Prisoners are older when they get out than when they went in. And age makes a big difference. The propensity to commit crimes declines precipitously with maturity. Whether the criminal ages inside a prison cell or at liberty, after the passage of years he is less dangerous. Aggregating the figures for crimes included in the FBI's crime index—murder, manslaughter, rape, robbery, aggravated assault, burglary, larceny, and auto theft—84 per cent of all arrests involve people 29 or younger. Persons 34 or younger account for 89.1 per cent of all arrests for these crimes. . . .

"By holding people in prison until they are in their thirties, then, some people *are* rehabilitated. But not by prisons. They are rehabilitated by getting older. . . .

"Some people who have committed very serious crimes of violence should be given incapacitating sentences to protect everyone else. The crimes I have in mind are murder, forceable rape, robbery, aggravated assault, and arson."

The Diaries of a Cabinet Minister. Richard Crossman. Holt, Rinehart and Winston. This chronicle of British politics in the 1960s will be stiff going for many American readers, but worth the trouble of groping through references to names and events you've never heard of. The late author was one of Britain's cleverest and most acerbic political personalities, and his diaries draw a striking picture of the role of bureaucracy and petty ambition in affairs of state that will be familiar indeed to *Washington Monthly* readers. The clearest indication that this is a useful and important book is that the civil service bureaucracy in Whitehall has been trying for two years to prevent its publication.

Dilemmas of Masculinity: A Study of College Youth. Mirra Komarovsky. Norton, $9.95. Using the case study method, the author examines the changing attitudes of males towards their "self-identity" and "role behavior" in an age when traditional roles are being questioned. Unfortunately, the case studies consisted of interviews with only 62 college seniors at an all-male Ivy League university in 1969-70, when everything for this age group was distorted by the Vietnam war and the draft.

Disaster by Decree: The Supreme Court Decisions on Race and the Schools. Lino A. Graglia. Cornell, $11.50.

The Imperial Shah: An Informal Biography. Gerald de Villiers. Atlantic-Little, Brown, $8.95.

Me and Ralph: Is Nader Unsafe for America? David Sanford. New Republic, $7.95. Sanford's book is not so much a pungent political commentary (as he seems to imagine it is) as an excursion across the undulating landscape of his own frustrated ambitions. Sanford, managing editor of *The New Republic*, just *hates* Ralph Nader, but is unable in this hysterical, padded, and repetitive book, ever to explain why. Its most revealing part deals with Sanford's treatment

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

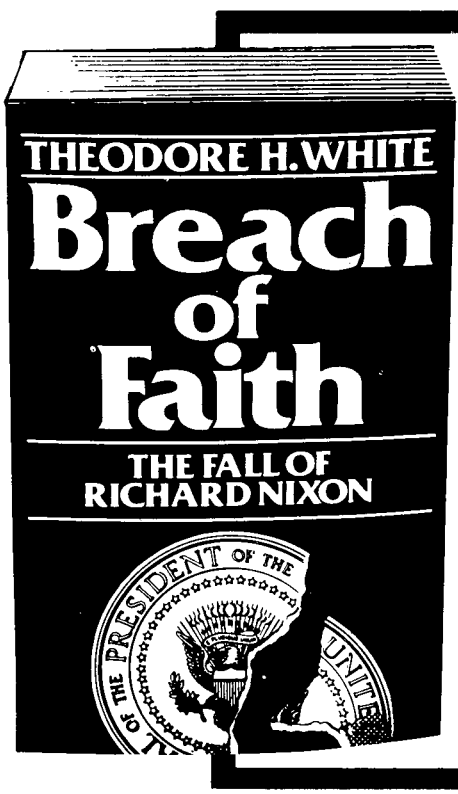
of his former boss Gil Harrison. Like Nader, Harrison was helpful to Sanford early in his career, and the book describes scenes of Sanford's fawning sycophancy while Harrison was at the helm of *The New Republic*. Now that Harrison is out and feuding with the new management, Sanford portrays him as a three-fourths senile Nader groupie. This book is a terrible embarrassment to The New Republic press.

Mencken's Last Campaign: H.L. Mencken on the 1948 Election. Joseph C. Goulden, ed. New Republic, $8.95. For some reason, Mencken's prowess as political commentator has been greatly exaggerated over the years. Every so often a cry of longing for Mencken is heard in the land, the point always being that he, uniquely, would have been able to see through our contemporary idiocies. But the sad fact is that if these dispatches by Mencken had not been adorned by the famous by-line, no one would have thought it worthwhile to reprint them. There is much tedious material on delegates, not much in the way of perceptive description. Here he is on the Democratic nominee:

"Truman, in a white Palm Beach suit and wearing a gaudy convention badge, followed immediately. The burden of his remarks is reported by able and reliable colleauges. He looked very cocky, and talked accordingly." It's thin stuff, by today's standards.

Mencken's reputation undoubtedly derives from the fact that by comparison with his colleagues, most of whom were never allowed to stray beyond the hardest of hard news, Mencken had strong opinions, and was not restrained by editors from expressing them vigorously. But mostly they don't seem to stand up very well today. Here is his report, filed a few days before the 1948 election: "Truman. . . has failed ingloriously. His campaign has not been that of a statesman, nor even that of the wiser and decenter sort of politician; it has been that of a third rate rabble rouser. He has appealed, not to the common sense of the people as a whole, but to the itch for advantage of vicious racketeers and prehensile and mainly highly devious minorities."

The New England States: People, Politics and Power in the Six New England States. Neal R. Peirce. Norton, $12.95. This is the seventh in a series of regional volumes which look at the United States in the '70s. Like his previous books, this one is based on a year-and-a-half of travel across the country, 1,500 interviews with the natives (out-doing you-know-who), and perusal of a myriad of books, articles, newspaper clippings. What



6 Months on the Bestseller List

Now in Paperback!

The inside story of what made Nixon's final days inevitable.

"Not since *The Making of the President, 1960* has White written a book of such energy and passion."
–*The New York Times*

DELL $1.95

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

results, at least in this volume, is a thoughtful, thorough examination of the New England region, with hardly a tinge of academic prose.

Parties and Party Systems: A Framework for Analysis. Giovanni Sartori. Cambridge, $32.50/10.95.

Policy Analysts in the Bureaucracy. Arnold J. Meltsner. California, $10.00.

Power and the Presidency: The Men, the Policies, and the Office. Philip C. Dolce, George H. Skau. Scribners, $12.50.

Presidential Power and the Constitution. Edward S. Corwin. Cornell, $13.50.

Prognosis Negative: Crisis in the Health Care System. Health/PAC, David Kotelchuck, eds. Vintage, $2.95. Thomas Carlyle had the line on this book. "I grow daily to honor facts more and more, and theory less and less," he wrote 140 years ago. It is the facts which stand out in this collection of articles; the most memorable is a small newspaper clipping about a 70-year-old man who robbed a bank 45 minutes after the George Washington University hospital turned him away for lack of funds. The fact is overlaid, almost casually, by a neo-Marxist ideology, which is pronounced rather than proved. (For example, a thorough and cynical examination of the much-vaunted Kaiser Permanente Health Maintenance Organization ends on this out-of-the-blue note: "Ultimately health care will be delivered full force into the age of corporate capitalism.") The authors are skeptical about nearly every proposal for national health insurance, arguing that all are public subsidies of a wasteful private system. The only answer, they say, is a system wholly controlled by the public—the complications of which they discuss not at all.

The Rape of our Neighborhoods. William Worthy. Morrow, $8.95.

Society, Freedom, and Conscience: The Coming Revolution in Virginia, Massachusetts, and New York. Jack P. Greene, Richard L. Bushman, Michael Kammen, eds. Norton, $9.95.

Squeaking By: U. S. Energy Policy Since the Embargo. Richard B. Mancke. Columbia, $8.95.

Unchosen Presidents: The Vice President and Other Frustrations of Presidential Succession. Allan P. Sindler. California, $5.95.

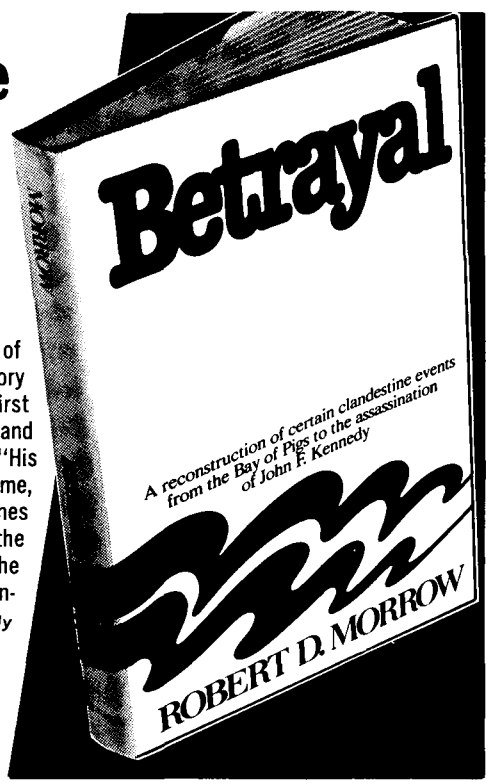
The Unseen Revolution: How Pension Socialism Came to America. Peter F. Drucker. Harper and Row, $8.95.

"The first plausible motive...for the killing of John F. Kennedy..." —*Playboy*

Robert D. Morrow was a contract employee of the CIA in the late 50s and early 60s. This story of his work for that agency reveals for the first time the motive for Kennedy's assassination and the identity of the elements responsible for it. "His minute-by-minute description of the Dallas crime, his naming of names, his explicit behind-the-scenes disclosures, his story of Jack Ruby's key role in the assassination—these answer many questions for the first time, and set the stage for a real in-depth investigation." —*Publishers Weekly*

At bookstores everywhere • $8.95

HENRY Regnery COMPANY
Chicago, Illinois 60601



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Critical Choices for Americans

Critical Choices for Americans, a fourteen-volume work on urgent problems that face the United States and the world at the beginning of America's third century, will appear through 1976 and into 1977 under the imprint of Lexington Books.

A wide range of subjects is covered including: energy, the environment, and economics; population, food, and land use; raw materials; criminal justice and the law; education; and foreign relations and national defense. A major portion of the work concerns ideas about America, extensive analyses of different regions of the world, and the quality of life of communities and individuals.

The 128 contributors include: Mortimer J. Adler, Raymond Aron, Alastair Buchan, Wolf von Eckardt, Nathan Glazer, Herman Kahn, Irving Kristol, Charles H. Malik, Daniel P. Moynihan, Bess Meyerson, Robert A. Scalapino, Edward Teller, and James Q. Wilson. Many other authorities bring to this series the most complete prognosis of America's future and the world's ever commissioned.

About the series in general, **TIME Magazine** said:

"NEW STARTS FOR AMERICA'S THIRD CENTURY . . . What emerges from these essays is the sense that in nearly every important field, ideas that dominated for half a century or more are giving way. New notions are being pursued and older ideas, discarded earlier in the 20th century, are being re-examined . . . Different though the various views of human nature may be, the very use of the term implies that there is something permanent and irreducible in man and that his resistance to outside manipulation is a kind of triumph."

The books are:

Volume I	**Vital Resources. 288pp. $14.95**
Volume II	**The Americans: 1976. 400pp. $15.95**
Volume III	**How Others See Us. 144pp. $11.95**
Volume IV	**Power & Security. 240pp. $12.95**
Volume V	**Trade, Inflation & Ethics. 320pp. $15.95**
Volume VI	**Values of Growth. 192pp. $10.95**
Volume VII	**Qualities of Life. 544pp. $20.95**
Volume VIII	**Western Europe: The Trials of Partnership. 448pp. $19.95**
Volume IX	**The Soviet Empire: Expansion & Detente. 480pp. $19.95**
Volume X	**The Middle East: Oil, Conflict & Hope. 544pp. $22.95**
Volume XI	**Africa: From Mystery to Maze. 480pp. $19.95**
Volume XII	**China & Japan: A New Balance of Power. 352pp. $16.95**
Volume XIII	**Southern Asia: The Politics of Poverty & Peace. 384pp. $16.95**
Volume XIV	**Latin America: Struggle for Progress. 224pp. $13.95**

Special Series Price—$200.00

For additional information, please contact:
Lexington Books, 125 Spring Street, Lexington, Massachusetts 02173,
or call (617) 862-6650 or (212) 924-6460.

A Raytheon Company

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"Must reading"

—Arthur Schlesinger, jr.

"Unfailingly incisive and intelligent," writes Mr. Schlesinger. "It is also what is more remarkable for a book about foreign policy: literate and entertaining. It is must reading for people who still care about the American role in the world."

"'Who has an alternative?' Henry Kissinger keeps asking in defending his foreign policy. The answer is easy —George Ball. This book sets forth his views with a sweep of vision and a mastery of detail that makes his claim to be the next Democratic Secretary of State seem well-nigh undeniable." —*Joseph Kraft*

"George Ball is often wrongheaded but never muddleheaded, which makes his book well worth reading."
—*William Safire*

"Essential for an up-to-date reading of the U.S. factional map."
—*Kirkus Reviews*

DIPLOMACY FOR A CROWDED WORLD

An American Foreign Policy

GEORGE W. BALL

$12.95 at all bookstores

An Atlantic Monthly Press Book

LITTLE, BROWN and COMPANY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED